2014 Annual Report

schouw+co

ENGLISH

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The Management's review include the sections 'Report' and 'Businesses'.

This publication is a translation of the statutory Danish Annual Report 2014. The original Danish text shall be controlling for all purposes, and in cases of discrepancy, the Danish wording shall be applicable.

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As in previous years, Schouw & Co. will not be printing and distributing a conventional annual report. We have published a shareholder magazine to accompany our full-length annual report and readers may benefit from reading the annual report in conjunction with the shareholder magazine. The shareholder magazine is available in a print version and electronically at www.schouw.dk

The annual report contains a full presentation of financial statements and a full management's report, whereas the articles in the shareholder magazine provide supplementary information about our portfolio companies in the interviews with our subsidiary CEOs.

Focusing on value creation

Schouw & Co. had a very good year in 2014. Our portfolio companies performed well throughout the year and in fact better than we had originally expected. We grew our comparable EBIT by 12% relative to 2013, net of the non-recurring gain from the sale of a property in that year. The improvements were broadly based, and all our companies contributed to the positive performance.

Our key focus in 2014 was to continue to help our businesses grow bigger and stronger. We planned and made substantial investments, and we successfully completed two minor acquisitions. Fibertex Nonwovens acquired a company in the United States that will give it an attractive platform for growth in North America, and Fibertex Personal Care took full ownership of a printing business in Germany and can now offer its customers more specialised and value-creating products.

"Results are created by people" has been a Schouw & Co. mantra for decades. It is our managers' and employees' openness to change and ongoing alignment to changing business conditions that form the foundation for how Schouw & Co. has evolved and developed since the company was founded in 1878.

We have published a shareholder magazine to accompany our full-length annual report, which this year profiles the CEOs who head up our five major businesses. Each of our five current CEOs worked their way up through their respective organisations. On average, each one has more than 20 years of seniority, and each played a key role in developing their company before being appointed CEO. They all pursue long-term objectives and demand profitable growth, both of which are cornerstones of the Schouw & Co. philosophy.

Growth, investment and acquisitions for our existing businesses will continue to be on our agenda in 2015, but this will not be a year without challenges. Several of our markets are extremely competitive, and our companies are constantly experiencing changes in their value chains. However, I am confident that Schouw & Co. will once again achieve satisfactory results in 2015.

Jens Bjerg Sørensen, President
Aarhus, March 6, 2015

A good, solid year for Schouw & Co.

2014

- Revenue rose to DKK 11.8 billion. (2013: 11.6).
- EBIT increased to DKK 708 million (2013: 685), which was much higher than expected at the start of the year. EBIT was DKK 13 million higher than our recent guidance, due to an unexpected payment on an impaired receivable.
- Each of our portfolio companies increased their business activity, and they all reported EBIT improvements.
- Our portfolio companies made two small acquisitions in 2014. Fibertex Nonwovens now has a platform for growth in the United States, and Fibertex Personal Care took full ownership of a printing business in Germany.
- Cash flows from operating activities were DKK 628 million (2013: 667) with a free cash flow of DKK 273 million.
- Our net interest-bearing debt remains at close to zero.
- Our ROIC improved for the fifth consecutive year, reaching 16.9%, excluding goodwill and 14.0% when stated including goodwill.

2015

- Several of our businesses continue to operate in highly competitive markets, but earnings are expected to remain attractive.
- We expect 2015 revenue to be around DKK 12 billion (2014: 11.8) and EBIT to be in the range of DKK 610-700 million (2014: 708).
- The share of profit in associates etc. is expected to be DKK 60-70 million after tax.
- Dividend raised by 33% to DKK 8 per share.

BioMar

Volumes sold were up on 2013, but revenue fell 3% primarily due to lower raw materials prices. EBIT rose to DKK 434 million (2013: 394) mainly due to strong efficiency in all regions and lower provisions. Markets remain very competitive and market conditions uncertain. 2015 EBIT expected to fall relative to 2014.

Fibertex Personal Care

Revenue up by 15% and EBIT improved to DKK 171 million (2013: 164). EBIT under pressure due to global excess capacity, but 2015 EBIT expected to be in line with 2014 figure.

Fibertex Nonwovens

Revenue up by 12% and EBIT up by 67% to DKK 62 million in 2014. The year 2015 will be a year of transition, with the focus on integrating acquisitions and installing new capacity, but moderate EBIT improvement is still expected.

Hydra-Grene

Revenue at an all-time high driven by strong activity in wind turbine segment. EBIT up by 30% to DKK 60 million, but guidance for 2015 toned down.

Kramp (20% owned)

The first full year after the Grene-Kramp merger saw revenue up by 7% to DKK 4.9 billion despite moderate activity in the second half. EBIT rose to DKK 405 million (2013: 349) and is expected to continue to improve in 2015.

5.7%

↑ *Revenue CAGR for the 2010–2014 period*

17.7%

↑ *EBIT CAGR for the 2010–2014 period*

16.9%

↑ *Fifth consecutive increase in ROIC (excluding goodwill) in 2014*

DKK 8

↑ *Dividend raised for the fourth consecutive year. This year, dividend raised by DKK 2 per share.*

Key figures and key ratios

GROUP SUMMARY (DKK MILLION)	2014	2013	2012	2011	2010
Revenue and income					
Revenue	11,784	11,645	12,478	11,929	9,451
Operating profit before depriciation (EBITDA)	1,070	1,039	1,163	1,049	753
Depreciation and impairment losses	363	354	390	403	384
Operating profit (EBIT)	708	685	772	646	369
Profit after tax in associates and joint ventures	28	-21	-5	-26	-1
Value adjustment of financial investments*	0	499	-68	-556	-518
Financial items, net (ex. financial investments)	-35	-53	-86	-107	-92
Profit before tax	701	1,109	613	-41	-241
Profit for the year from continuing operations	428	860	469	-72	-127
Profit for the year from discontinued operations	0	508	29	0	167
Profit for the year	428	1,368	498	-72	40
Cash flows					
Cash flows from operating activities	628	667	862	419	444
Cash flows from investing activities	-355	522	-365	-803	-484
Of which investment in property, plant and equipment	-233	-346	-351	-565	-472
Cash flows from financing activities	-563	-687	-660	471	-313
Cash flows from discontinued operations	0	434	30	0	362
Cash flows for the year	-290	936	-133	87	9
Invested capital and financing					
Invested capital excluding goodwill	4,528	4,045	5,100	5,407	4,526
Total assets	9,882	9,696	10,381	9,901	8,900
Working capital	1,775	1,424	1,892	2,147	1,614
Net interest bearing debt (NIBD)	44	-23	2,023	2,745	2,166
Share of equity attributable to shareholders of Schouw & Co.	6,071	5,743	4,624	4,196	4,392
Minority interests	3	3	3	34	4
Total equity	6,074	5,746	4,627	4,230	4,395
Financial data					
EBITDA margin (%)	9.1	8.9	9.3	8.8	8.0
EBIT margin (%)	6.0	5.9	6.2	5.4	3.9
EBT margin (%)	6.0	9.5	4.9	-0.3	-2.6
Return on equity (%)	7.2	26.4	11.3	-1.7	-0.5
Equity ratio (%)	61.5	59.3	44.6	42.7	49.4
ROIC excluding goodwill (%)	16.9	16.1	15.2	13.8	10.0
ROIC including goodwill (%)	14.0	13.3	12.9	11.8	8.3
NIBD/EBITDA	0.0	0.0	1.7	2.6	2.9
Average number of employees during the year	2,139	2,052	2,873	3,287	3,166

	2014	2013	2012	2011	2010
Per share data					
Earnings per share (of DKK 10)	18.08	57.46	21.09	-3.07	-0.97
Diluted earnings per share (of DKK 10)	18.02	57.28	21.07	-3.06	-0.97
Dividend per share (of DKK 10)	8.00	6.00	5.00	4.00	3.00
Net asset value per share (of DKK 10)	258.44	240.49	196.25	178.62	183.93
Share price at year end (of DKK 10)	290.00	222.50	149.00	92.50	133.50
Price/net asset value	1.12	0.93	0.76	0.52	0.73
Market capitalisation	6,812	5,313	3,511	2,173	3,188

*) Consists of value adjustments/gains and dividends from the now divested holdings of shares in Vestas and Lerøy.

Definitions of financial ratios

Earnings per share (EPS) and diluted earnings per share (EPS-D) are calculated in accordance with IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios 2010" issued by the Danish Society of Financial Analysts.

The financial ratios in the annual report are calculated in the following manner:

Return on equity	$\frac{\text{Profit for the year excluding minorities}}{\text{Avg. equity excluding minorities}}$
ROIC excluding goodwill	$\frac{\text{EBITA}}{\text{Avg. invested capital excluding goodwill}}$
ROIC including goodwill	$\frac{\text{EBITA}}{\text{Avg. invested capital including goodwill}}$
Equity ratio	$\frac{\text{Equity at year end}}{\text{Total liabilities and equity at year end}}$
Earnings per share (EPS)	$\frac{\text{Profit for the year excluding minorities}}{\text{Average number of shares in circulation}}$
Diluted earnings per share (EPS-D)	$\frac{\text{Profit for the year excluding minorities}}{\text{Diluted average number of shares in circulation}}$
Net asset value per share	$\frac{\text{Equity at year end, excluding minorities}}{\text{No. of shares at year end excl. treasury shares}}$
Price/net asset value (P/NAV)	$\frac{\text{Market capitalisation at year end}}{\text{Equity at year end, excluding minorities}}$
Market capitalisation	Number of shares, ex treasury shares, x share price

REPORT

Our businesses

BioMar

FACTS BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The core business areas are feed for salmon, trout, sea bass, sea bream and tilapia.

GEOGRAPHY Head office in Aarhus, Denmark. Production facilities in Norway, Scotland, Denmark, France, Spain, Greece, Chile and Costa Rica.

OWNERSHIP In 2005, Schouw & Co. took a 68.8% majority interest in BioMar, then a listed company. BioMar became a wholly owned subsidiary following a merger in 2008.

www.biomar.com

Fibertex Nonwovens

FACTS Fibertex is among Europe's leading manufacturers of nonwovens, i.e. non-woven textiles used for many different industrial purposes.

GEOGRAPHY Head office in Aalborg, Denmark. Production facilities in Denmark, France, the Czech Republic, the USA and South Africa.

OWNERSHIP Fibertex was founded in 1968 and was acquired by Schouw & Co. in 2002. The company previously included the Personal Care activities, which were hived off as an independent portfolio company in 2011.

www.fibertex.com

Kramp

FACTS Kramp is Europe's leading trading and logistics company operating in the sale of spare parts and accessories for agriculture and industry.

GEOGRAPHY Head office in Varsseveld, the Netherlands. Warehouse facilities covering most of Europe.

OWNERSHIP Kramp was founded in 1951. Schouw & Co. became a 20% shareholder in November 2013, when the wholly owned subsidiary Grene merged with Kramp. Kramp is recognised as an associated company.

www.kramp.com

Fibertex Personal Care

FACTS Fibertex Personal Care is among the world's largest manufacturers of spunbond/spunmelt nonwovens for the personal care industry, manufacturing mainly nappies, sanitary towels and incontinence products.

GEOGRAPHY Head office in Aalborg, Denmark. Production facilities in Denmark and Malaysia and printing facilities in Germany.

OWNERSHIP Fibertex was founded in 1968 and was acquired by Schouw & Co. in 2002. The Personal Care activities have been a part of Fibertex since 1998 and were hived off as an independent portfolio company of Schouw & Co. in 2011.

www.fibertexpersonalcare.com

Hydra-Grene

FACTS Hydra-Grene is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry as well as related services.

GEOGRAPHY Head office in Skjern, Denmark. Production facilities in Denmark, China and India.

OWNERSHIP Hydra-Grene was established as an independent company in 1974 and has been a part of the Schouw & Co. Group since 1988.

www.hydra.dk

Other investments

XERGI Xergi is one of Europe's leading suppliers of turnkey biogas systems. Its core business consists of technology development, system design and installation as well as system operation and maintenance. Schouw & Co. co-owns Xergi on a fifty/fifty basis together with Hedeselskabet.

INCUBA INVEST Schouw & Co. holds a 49% stake in Incuba Invest, a development and venture operation supporting entrepreneurial environments and investing actively in new companies.

PROPERTY In addition to the operational properties of the portfolio companies, Schouw & Co. also owns a small number of properties, including the parent company head office in Aarhus and two industrial properties in Frederikshavn.

Management's report

Financial performance

The Schouw & Co. Group had a good year in 2014 despite moderate expectations at the beginning of the year. A large number of uncertainties raised prospects of a challenging year in 2014 compared with the highly successful 2013.

Fortunately, the portfolio businesses managed to navigate the volatile and competitive markets, enabling the Group to raise its consolidated EBIT guidance during the year.

The Group's companies improved overall revenue slightly from DKK 11,645 million in 2013 to DKK 11,784 million in 2014. The revenue performance was strongly affected by lower raw materials prices, especially in BioMar, which reported lower revenue despite an increase in overall business activity. The other consolidated businesses all reported revenue improvements.

EBIT for the year rose to DKK 708 million in 2014 from DKK 685 million in 2013, which figure in Q4 included a DKK 54 million profit from the sale of a property. The 12% operational EBIT improvement was driven mainly by BioMar and Fibertex Nonwovens, but Hydra-Grene and, to a lesser extent, Fibertex Nonwovens also contributed. A drop in provisions for trade receivables in BioMar supported the profit for the year, in part because a specific payment received at the end of January 2015 reduced the estimated provisioning need by DKK 13 million.

FOURTH QUARTER	2014 Q4	2013 Q4	Change	
Revenue	3,102	2,979	123	4%
EBITDA	296	346	-51	-15%
EBIT	199	257	-58	-23%
Associates etc.	12	-18	30	-
Profit before tax	201	283	-82	-29%
Cash flow from operations	310	361	-50	-14%

FULL YEAR	2014 Q4	2013 Q4	Change	
Revenue	11,784	11,645	139	1%
EBITDA	1,070	1,039	32	3%
EBIT	708	685	23	3%
Associates etc.	28	-21	49	-
Profit before tax	701	1,109	-408	-37%
Cash flow from operations	628	667	-40	-6%
Net interest-bearing debt	44	-23	67	-
Working Capital	1,775	1,424	351	25%
ROIC excl. goodwill	16.9%	16.1%	0.8pp	
ROIC incl. goodwill	14.0%	13.3%	0.7pp	

As expected, Kramp, the large associate, reported revenue and EBIT improvements relative to the proforma figures for 2013. In the consolidated financial statements, Schouw & Co.'s 20% share of the profit in Kramp is recognised under profit/loss after tax in associates. The recognised share of the profit in Kramp for the first four months of 2014 was DKK 36 million lower due to adjustments that mainly related to the purchase price allocation prepared in connection with the merger with Grene. In other words, the recognised share of profit amounted to DKK 22 million.

Xergi, which is recognised as a joint venture, achieved the expected revenue and earnings improvements, and a DKK 5 million share of the profit has been recognised under profit after tax in joint ventures for 2014.

Consolidated net financial items were an expense of DKK 35 million, compared with a comparable expense of DKK 53 million in 2013 net of value adjustments of financial investments that have since been divested.

To date, BioMar's subsidiary in Chile has been subject to corporate income tax for a total of 35% paid in two steps, with the first payment (of 17–20%) being paid in the tax year and the rest only being paid on the distribution of dividends. A tax reform was passed in Chile at the end of the third quarter 2014. As a result, BioMar has decided to distribute a large dividend from its Chilean subsidiary. A tax expense of DKK 116 million has been recognised in the 2014 financial statements and the amount is expected to be paid in 2015.

As a result, the total tax payable on the profit for the year was DKK 274 million, bringing the net profit for the year to DKK 428 million.

Liquidity and capital resources

The notable key events of 2013, i.e. the merger of Grene and Kramp, the sale of Martin Professional and of securities and property, combined with the positive cash flow from operations meant that Schouw & Co.'s net interest-bearing debt at the end of 2013 was a DKK 23 million net deposit. Our net interest-bearing debt has grown during the year among other due to an increase in business activity including the acquisitions of two small companies, an increase in working capital as well as acquisition of treasury shares, but it remained at a modest DKK 44 million at the end of 2014.

Management's report

Operating activities generated a cash inflow of DKK 628 million in 2014, compared with DKK 667 million in 2013. Net cash flows for investing activities amounted to DKK 355 million in 2014 against DKK 372 million in 2013, not including the sale of securities and property for DKK 894 million.

The Group's overall working capital increased from DKK 1,424 million at December 31, 2013, to DKK 1,775 million at December 31, 2014, mainly due to larger inventories at BioMar.

Group developments

Very mild climate conditions prevailed from the start of the year, supporting business activity in the early months and resulting in earlier revenue that would otherwise not have appeared until later in the year. For some products, the fluctuating weather conditions mainly result in timing differences, but normally, an early start to the season is generally good for the Group.

Our portfolio companies generally saw strong activity in most of their active markets, but they have all experienced mounting international competition. The battle for market share is intense everywhere, and customers are very determined to get prices and terms of business that are competitive. That forces our portfolio companies to constantly invest in safeguarding their competitive strength, and in some cases having to take strategic positions to secure necessary market share.

Our companies finished the year on a good note overall, as sound operating conditions and attractive raw materials prices contributed to the financial results, most of all in BioMar and Fibertex Personal Care.

The following is a brief review of individual company performances in 2014:

BioMar reported a slight increase in total volumes, but realised lower revenue due to lower raw materials prices. The drop related mainly to the North Sea and Continental Europe regions, whereas the Americas reported improvements. EBIT improved compared with last year.

At the end of the year, Carlos Diaz took over as CEO of BioMar in a well planned generational change, succeeding Torben Svejgård, who had resigned to pursue a career as a board member.

BioMar is working hard to expand its operations by developing feed for new fish species and establishing a presence in new geographical markets. The company is currently working to establish production in Turkey in association with local company Sagun Group, and a new Turkish factory is expected to be commissioned in 2016.

Fibertex Personal Care reported a healthy revenue improvement driven mainly by higher volume sales from the factory in Malaysia. The company also improved its EBIT, partly due to a sharp drop in prices of raw materials towards the end of the year.

At the end of October 2014, Fibertex Personal Care acquired the remaining 85% of the shares in German company Innowo Print, in which it had previously held a 15% ownership interest since 2007.

Fibertex Nonwovens reported revenue improvements that were mainly attributable to healthy sales of products to the auto industry and other specialised products for industrial purposes. EBIT improved considerably compared with last year.

At the end of October 2014, Fibertex Nonwovens acquired a US-based company, establishing an attractive platform for growth in North America.

In addition, after the end of 2014, Fibertex Nonwovens has increased its ownership interest in Fibertex South Africa from 26% to 74%.

Hydra-Grene reported a fair revenue improvement mainly driven by higher sales to the wind turbine industry. EBIT improved, driven by the greater volume of business activity.

Kramp, which is recognised as an associate, reported an increase in revenue and EBIT relative to the pro forma numbers for 2013 following the successful merger with Grene.

Xergi, which is recognised as a joint venture, has achieved a step change in its activity that follows from recent years' heavy investment in technology innovation and in building a substantial customer and project portfolio. The company lifted its revenue by more than 50% and also strongly improved its net profit.

Management's report

Events after the balance sheet date

Effective from March 1, 2015, Fibertex Nonwovens increased its ownership interest in Fibertex South Africa from 26% to 74%, and the company is reclassified from an associate to a subsidiary. The change is reflected in the outlook for 2015.

Other than as set out above and elsewhere in this Annual Report, Schouw & Co. is not aware of events occurring after December 31, 2014, which are expected to have a material impact on the Group's financial position or outlook.

Special risks

Schouw & Co. is an industrial conglomerate whose activities are distributed on various business areas. By diversifying its businesses, the Group spreads its ordinary business risk exposure related to its individual business areas.

However, over the past few years, BioMar has grown to a size that in terms of a number of key figures represents more than half of the consolidated group. Accordingly, the risks that specifically attach to BioMar weigh heavily in a consolidated perspective. In addition to the business risks and risks that inherently follow from being a producer of fish feed, the risks that are particular to BioMar involve the biological and climatic issues relating to fish farming.

Several of the Group's business areas rely on certain raw materials and are thus sensitive to large fluctuations in the prices of such raw materials. This applies in particular to BioMar and the two Fibertex companies, although automatic price adjustment mechanisms apply to a large extent.
For all of the Group's companies, the economic slump continues to cause generally heightened uncertainty with respect to trade receivables. All Group businesses are very attentive to following up on receivables. The Group has only to a certain extent taken out insurance against losses on receivables.

The Group has interest-bearing debt, some of which has short-term maturities, while some carries floating interest rates, resulting in overall ordinary risk. However, the Group's current limited net interest-bearing debt makes this a negligent risk factor at the present time.

The majority of the company's activities are located in Denmark and elsewhere in Europe, but it also has substantial assets outside of Europe, primarily in Malaysia and Chile.

The Group believes that it has ordinary insurance cover for its assets.

Dividend

The Board of Directors recommend to the Annual General Meeting that the dividend for 2014 be raised by 33% to DKK 8.00 per share, for total dividend payments of DKK 204 million, equal to 2.8% of the market capitalisation at December 31, 2014 or 48% of profit for the year.

Outlook

The companies of the Schouw & Co. Group are generally well-positioned to face strong international competition, and the Group has sufficient resources to meet the challenges that involves.

However, market conditions on the threshold of 2015 are characterised by several material sources of volatility. Europe remains mired in economic weakness and political tension. This is impacting the Group's operations, mainly in Fibertex Nonwovens, Hydra-Grene and Kramp, but potentially also in BioMar and Fibertex Personal Care.

All of the portfolio companies operate in competitive markets, but especially BioMar and Fibertex Personal Care expect a year with a fragile balance between supply and demand in their important markets, which are Norway and Chile, and South East Asia, respectively.

As a result, BioMar has moderate expectations for its core markets in Norway and Chile. On the other hand, the company expects to sustain revenue at the 2014 level, but with a lower EBIT.

Fibertex Personal Care expects revenue below the 2014 figure; revenue is expected to fall due to lower average prices of raw materials, but that effect will partly be offset by the consolidation of Innowo Print. EBIT will be supported by the effects of a plunge in raw materials prices in the early part of the year, but prices are expected to recover as the year wears on, which will likely eliminate the benefit to earnings.

This will be a year of transition for Fibertex Nonwovens, with several production lines scheduled for upgrading and therefore to be out of service for a period of time. The company continues to expect to improve revenue and EBIT, in part as a result of the acquisitions made.

Hydra-Grene expects a drop in revenue in 2015, mainly due to lower sales to the wind turbine industry. A similar drop in EBIT is expected.

The associate company Kramp projects continued revenue and EBIT improvements. Xergi, which is recognised as a joint venture, expects to keep up the high level of business activity.

Overall, Schouw & Co. expects to generate consolidated revenue in the vicinity of DKK 12 billion in 2015. However, for several of the companies, revenue depends very much on prices of raw materials, and any fluctuations can significantly change revenue without having any notable effect on earnings.

Schouw & Co. applies a profit forecast range for each individual business, and aggregating these ranges indicates consolidated EBIT guidance for 2015 within the range of DKK 610-700 million.

To this should be added profit after tax from associates and joint ventures, which is expected to improve to the range of DKK 60-70 million. However, a comparison with 2014 should take into account the fact that the recognised share of the profit in Kramp for 2014 was reduced by DKK 36 million in adjustments that were mainly the result of the purchase price allocation prepared in connection with the merger with Grene.

Net financials for 2015 are expected to be an expense of in the region of DKK 35 million.

REVENUE (DKK million)	2015 forecast	2014 actual	2013 actual
BioMar	c. 8.500	8,451	8,702
Fibertex Personal Care	c. 1.700	1,787	1,554
Fibertex Nonwovens	c. 1.200	1,048	933
Hydra-Grene	above 500	566	480
Other/eliminations	-	-68	-24
Total revenue	**c. 12bn**	**11,784**	**11,645**
Kramp (100%)	c. 5,250	4,905	4,594

EBIT (DKK million)	2015 forecast	2014 actual	2013 actual
BioMar	360-410	434	394
Fibertex Personal Care	160-180	171	164
Fibertex Nonwovens	65-75	62	37
Hydra-Grene	45-55	60	46
Other	c. -20	-20	43
Total EBIT	**610-700**	**708**	**685**
Associates etc.	60-70	28	-22
Financial investments	-	0	499
Other financial items	c. -35	-35	-53
Profit before tax	**635-735**	**701**	**1,109**
Kramp EBIT (100%)	425-450	405	349

Consolidating the conglomerate

"Schouw & Co. holds a unique and strong position for future growth. We are virtually debt-free; we are planning for or have already made a number of large investments; we generate a substantial cash flow; and each of our businesses offers promising long-term perspectives," says President Jens Bjerg Sørensen as he describes the prospects for Schouw & Co. at the start of 2015.

After a number of significant events in 2013, including the sale of non-strategic shareholdings in Vestas and fish farming company Lerøy and the merger of Grene and Kramp, 2014 saw Schouw & Co. continuing efforts to grow its portfolio companies bigger and stronger. The main events of the year included the acquisition of two small companies and the decision to invest heavily in increasing capacity over the next few years.

As president of Schouw & Co., a position he has held since 2000, Mr Bjerg Sørensen is in charge of structuring the portfolio and defining the strategic course for the portfolio businesses.

"*By continuing our strategy of consolidating our conglomerate, we're clearly emphasising the fact that Schouw & Co. is a conglomerate whose businesses operate within different industries. We're confident that holding an attractive conglomerate portfolio creates value while also diversifying risk."*

At Schouw & Co., a dual-level strategic approach is taken. At the general level, a portfolio of leading companies with strong potential is build and, at the individual business level, the challenge is to exert active ownership and develop the portfolio businesses.

"*At business level, we have two strategic objectives. The first one is operational streamlining: significant investments form the basis of solid organic growth, and an intensified focus on margin management is how we will grow earnings in both the short and long term. The second objective is called 'global size', because large international businesses are best positioned for the competitive situation in future. We need to make sure that our businesses expand in growth markets and, in doing that, acquiring other businesses will probably be an important factor."*

Schouw & Co. exercises active ownership at more than one level. Each of the businesses have their own board of directors consisting of both independent members and members representing Schouw & Co., and, as owners, Schouw & Co. engage with each business through various kinds of follow-up, support, reporting and general dialogue. Mr Bjerg Sørensen explains:

"*I generally speak with at least one company CEO every day, but it's important for me to emphasise that we run these businesses through and in collaboration with their own managements. We don't have the resources or the skills at parent company level to assume operational responsibility for these companies. That's why we appointed their CEOs. We make sure that each business has a clear-cut strategic direction, but we leave the day-to-day operations and operational decisions to the companies themselves."*

Consolidating the conglomerate

Mr Bjerg Sørensen explains that Schouw & Co. currently has the financial and management capacity to expand its portfolio, but he is very choosy, and it is not necessarily something that will happen in the short term:

"*We don't plan to add a lot of new businesses to our portfolio. Maybe we only need one more, so it's extremely important that we find a perfect match. It's quite obvious that attractive companies are in very high demand these days, and it would be unrealistic to believe we would have the opportunity to buy at less than the market price. Our core focus is on long-term value creation, but even though we prefer having full ownership of our portfolio companies, we would not rule out alternative ownership structures."*

Whether or not to continue ownership of each of the portfolio companies is considered on a regular basis. At the present time, Schouw & Co. is the best owner of all five of its major companies, and the Group has special plans for continuing their strategic development. The assignments undertaken at group level are reviewed regularly, and the Group is also working to optimise its capital structure for the long term and to ensure that Schouw & Co. will continue to grow and develop in the future.

"*Schouw & Co. has existed for 137 years, and I will keep on working hard and focusing on helping the company continue to create value over the next many years. The five major businesses in our portfolio form an attractive platform for continued growth and development, and we have sufficient financial and strategic resources to pursue our ambitious plans for the future."*

The most recent addition of an independent company to the portfolio is BioMar, which was acquired almost a decade ago. Since then, Schouw & Co. has added various business activities to its portfolio of companies, but buying operations to be added to existing businesses continues to have a higher priority than acquiring a whole new business.

Board of Directors

CHAIRMAN

Jørn Ankær Thomsen

Born 1945. Elected to the Board in 1982. Current term expires in 2018.
LL.M., University of Copenhagen. Attorney and partner of Gorrissen Federspiel Law Firm. Member of the company's audit committee. Mr Ankær Thomsen has special expertise in legal matters, including company law and capital markets, and in strategy, financial reporting, treasury and finance, as well as mergers and acquisitions.

Directorships
Chairman: Aida A/S, AP Invest Kapitalforening, Carlsen Byggecenter Løgten A/S, Th. C. Carlsen Løgten A/S, Carlsen Supermarked Løgten A/S, Danish Industrial Equipment A/S, Ejendomsselskabet FMJ A/S, Fibertex Nonwovens A/S, Fibertex Personal Care A/S, F.M.J. A/S, GAM Holding A/S, GAM Wood A/S, Givesco A/S, Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select, Investeringsforeningen ProCapture, Investeringsforeningen Profil Invest, Kapitalforeningen Danske Invest Institutional, Kildebjerg Ry A/S, Løgten Midt A/S, Niels Bohrs Vej A/S, Schouw & Co. Finans A/S, Søndergaard Give A/S.

Deputy Chairman: Carletti A/S, Jens Eskildsen og Hustru Mary Antonie Eskildsens Mindefond.

Board member: BioMar Group A/S, Dan Cake A/S, Danske Invest Management A/S, Ejendomsselskabet Blomstervej 16 A/S, Galten Midtpunkt A/S, Givesco Bakery A/S, Hydra-Grene A/S, Vestas Wind Systems A/S, Købmand Th. C. Carlsens Mindefond.

Executive Management: Advokatanpartsselskabet Jørn Ankær Thomsen, Perlusus ApS.

Shares held in Schouw & Co.
Holds 20,000 shares in Schouw & Co.

Independence as a board member
Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S, his affiliation with a law firm which acts as an adviser to the company and the fact that he has served more than 12 years on the Board.

DEPUTY CHAIRMAN

Erling Eskildsen

Born 1941. Elected to the Board in 1988. Current term expires in 2016.
Managing director of Givesco A/S, the main shareholder of Schouw & Co. Mr Eskildsen has special expertise in international business relations, including specifically in manufacturing and foods.

Directorships
Chairman: Carletti A/S, Dan Cake A/S, Dan Cake Services ApS, Givesco Bakery A/S, Leighton Foods A/S.

Board member: Danish Industrial Equipment A/S, Givesco A/S, Hydra-Grene A/S, Jens Eskildsen og Hustru Mary Antonie Eskildsens Mindefond, LHTS Invest A/S, OK Snacks A/S, Struer Brød A/S, Søndergaard Give A/S.

Executive Management: Givesco A/S, Søndergaard Give A/S.

Shares held in Schouw & Co.
Holds 1,004,462 shares in Schouw & Co.

Independence as a board member
Erling Eskildsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S and the fact that he has served more than 12 years on the Board.

REPORT

Board of Directors

BOARD MEMBER

Niels Kristian Agner

Born 1943. Elected to the Board in 1998. Current term expires in 2018.
B.Sc. (Bus.Adm.), Copenhagen Business School and a professional board member. Chairman of the company's audit committee. Mr Agner has special expertise in capital markets, strategy, financial reporting, treasury and finance, international business as well as mergers and acquisitions.

Directorships
Chairman: D.F. Holding Skive A/S, SP Group A/S, SP Moulding A/S.

Board member: G.E.C. Gads Forlag A/S.

Executive Management: Pigro Management ApS.

Shares held in Schouw & Co.
Holds 27,686 shares in Schouw & Co.

Independence as a board member
Niels Kristian Agner is not considered to be independent, having served more than 12 years on the Board.

BOARD MEMBER

Erling Lindahl

Born 1945. Elected to the Board in 2000. Current term expires in 2016.
Mechanical engineer from Sønderborg Technical College, Denmark. Managing Director of Momenta ApS. Mr Lindahl has special expertise in management and business development of industrial manufacturing companies as well as mergers and acquisitions and international business relations.

Directorships
Chairman: JKS A/S.

Board member: Lindahl & Co. ApS, Linco Invest A/S, Skandinavisk Båndkompagni A/S.

Executive Management: Lindahl & Co. ApS, Lindahl Life ApS, Momenta ApS, Linco Invest A/S, Venti A/S.

Shares held in Schouw & Co.
Holds 30,800 shares in Schouw & Co.

Independence as a board member
Erling Lindahl is not considered to be independent, having served more than 12 years on the Board.

BOARD MEMBER

Kjeld Johannesen

Born 1953. Elected to the Board in 2003. Current term expires in 2015.
Business diploma (HD), Marketing economics, Copenhagen Business School. CEO of Danish Crown a.m.b.a. Mr Johannesen has special expertise in management, production and sales as well as in strategy, business development and international business relations.

Directorships
Chairman: DAT-Schaub A/S, DC France SA, DC USA Inc., Confederation of Danish Industry's committee on business policy, KLS Ugglarps AB.

Deputy Chairman: Daka Denmark A/S, Saturn Nordic Holding AB, Employers' Organisation of the Danish Slaughterhouse Industry, Sokolow SA., Tulip Food Company A/S.

Board member: Plumrose USA Inc., Spar Nord Bank A/S, Tulip Ltd., Danmarks Nationalbank.

Executive Management: Danish Crown a.m.b.a., Danish Crown A/S.

Shares held in Schouw & Co.
Holds 22,000 shares in Schouw & Co.

Independence as a board member
Kjeld Johannesen is considered to be independent.

Board of Directors

BOARD MEMEBER

Jørgen Wisborg

Born 1962. Elected to the Board in 2009. Current term expires in 2017.
MSc, Aarhus School of Business and CEO of OK a.m.b.a. Member of the company's audit committee. Mr Wisborg has special expertise in management and sales as well as in strategy, business development, financial reporting, treasury and finance.

Directorships
Chairman: Danoil Exploration A/S, Energidata ApS, Kamstrup A/S, OK Plus A/S, OK Plus Butiksdrift A/S, Samfinans A/S.

Deputy Chairman: The Danish Oil Industry Association.

Board member: Foreningen AP Pension f.m.b.a., Miljøforeningen af 1992.

Executive Management: OK a.m.b.a., Rotensia ApS.

Shares held in Schouw & Co.
Holds 15,000 shares in Schouw & Co.

Independence as a board member
Jørgen Wisborg is considered to be independent.

BOARD MEMBER

Agnete Raaschou-Nielsen

Born 1957. Elected to the Board in 2012. Term expires in 2016.
PhD, University of Copenhagen and a professional board member. Ms Raaschou-Nielsen has special expertise in business development and acquisitions, macroeconomics, emerging markets, as well as international production, sales and marketing.

Directorships
Chairman: Arkil A/S, Arkil Holding A/S, Brødrene Hartmann A/S.

Deputy Chairman: AP Invest Kapitalforening, Dalhoff Larsen & Horneman A/S, Investeringsforeningen Danske Invest, Investeringsforeningen Danske Invest Select, Investeringsforeningen ProCapture, Investeringsforeningen Profil Invest, Kapitalforeningen Danske Invest Institutional, Novozymes A/S, Solar A/S.

Board member: Danske Invest Management A/S, Icopal A/S, Icopal Holding A/S, RFG Midco A/S.

Shares held in Schouw & Co.
Holds 0 shares in Schouw & Co.

Independence as a board member
Agnete Raaschou-Nielsen is considered to be independent.

REPORT

Executive management

PRESIDENT
Jens Bjerg Sørensen

Born 1957. Appointed in 2000.
Business graduate, Niels Brock Business College, Business diploma (HD), Marketing economics, Copenhagen Business School, IEP – Insead Executive Programme, Insead, France.

Directorships
Chairman: Alba Ejendomme A/S, BioMar Group A/S, Dovista A/S, F. Salling Holding A/S, F. Salling Invest, Hydra-Grene A/S, Købmand Herman Sallings Fond, Xergi A/S.

Deputy Chairman: Fibertex Nonwovens A/S, Fibertex Personal Care A/S, Per Aarsleff A/S.

Board member: Aida A/S, Dansk Supermarked A/S, Ejendomsselskabet FMJ A/S, F.M.J. A/S, Fonden bag udstilling af skulpturer ved Aarhusbugten, Fonden Aarhus 2017, Incuba Invest A/S, Kramp Groep B.V., Niels Bohrs Vej A/S, Schouw & Co. Finans A/S.

Executive Management: Jens Bjerg Sørensen Datterholding 1 ApS, Jens Bjerg Sørensen Holding ApS, Saltebakken 29 ApS, Schouw & Co. Finans A/S.

Shares held in Schouw & Co.
Holds 55,000 shares in Schouw & Co.

VICE PRESIDENT
Peter Kjær

Born 1956. Appointed in 1993.
BSc, Electronic Engineering, Engineering College of Aarhus, Business diploma (HD), Marketing economics, Aarhus School of Business, MBA from IMD, Lausanne, Switzerland.

Directorships
Chairman: Den Gamle By, Helsingforsgade 25 Aarhus A/S, Incuba A/S.

Deputy Chairman: Capnova A/S

Board member: Alba Ejendomme A/S, Erhverv Aarhus, Hydra-Grene A/S, Niels Bohrs Vej A/S, Xergi A/S.

Executive Management: Alba Ejendomme A/S, Incuba Invest A/S, Niels Bohrs Vej A/S, Saltebakken 29 ApS, Udlejningsselskabet Nordhavnsgade 1-3 st. th. ApS.

Shares held in Schouw & Co.
Holds 37,500 shares in Schouw & Co.

Listed on pages 13-16 are directorships in other companies and other relevant management positions held by members of the Board of Directors and the Executive Board. Shareholdings include each board member's or executive's shares in Schouw & Co. and those held by their related parties. Changes to shareholdings are reported to the Danish FSA pursuant to current rules.

Investor information

Capital and share structures
The shares of Aktieselskabet Schouw & Co. are listed on Nasdaq Copenhagen under the short name SCHO and securities identification/ISIN code DK0010253921.

The company has 25,500,000 issued shares of DKK 10 nominal value, equal to a total share capital of DKK 255,000,000 nominal value. Each share carries one vote, and no share carries any special rights, no restrictions apply as to the transferability of the shares.

The Board of Directors reviews the company's capital and share structures at least once a year, giving priority to retaining a high equity ratio in order to ensure the necessary financial versatility. At its most recent review in Jan. 2015, the Board of Directors found the company's capital and share structures to be appropriate and adequate relative to the company's plans and expectations.

Register of shareholders
The Company's registrar is Computershare A/S, Kongevejen 418, 2840 Holte, Denmark.

Shareholder structure
Schouw & Co. has some 7,600 registered shareholders of whom the following are listed in the company's register in accordance with section 56 of the Danish Companies Act:

Givesco A/S	28.09%
Direktør Svend Hornsylds Legat	14.82%
Aktieselskabet Schouw & Co.	7.88%

Pursuant to the provisions of Section 31 of the Danish Securities Trading Act, the three shareholders Givesco A/S, Direktør Svend Hornsylds Legat and Erling Eskildsen, who holds 3.94%, are considered as a single shareholder of Schouw & Co. The three shareholders hold in aggregate 46.85% of the shares in the company.

Members of the Board of Directors and the Executive Management of Schouw & Co. and their connected persons held a total of 1,119,948 and 92,500 shares, respectively, in the company at December 31, 2014.

Treasury shares
In 2014 Schouw & Co. acquired 690.487 treasury shares for a total amount of DKK 180 million. During the same periode, the company used 301.667 treasury shares in connection the Group's share incentive scheme.

At the end of 2014, the company held 2,009,933 treasury shares, equal to 7.88% of the share capital.

The market value of the holding of treasury shares was DKK 583 million at Dec. 31, 2014. The portfolio of treasury shares is recognised at DKK 0.

Incentive plans
Since 2003, Schouw & Co. has operated a share-based incentive programme comprising the Executive Management and senior managers, including the executive managements of subsidiaries.

Under the share-based incentive programme, Schouw & Co. awarded, in March 2014, a total of 55,000 share options to members of the Executive Management (two persons) and a total of 170,000 share options to other senior managers, including the executive managements of subsidiaries (sixteen persons).

The share options are exercisable during a 24-month period following the publication of Schouw & Co.'s full-year profit announcement for the 2015 financial year at a strike price of DKK 254.30 plus a 4% premium per annum from the date of grant until the date of exercise.

The overall guidelines for incentive programmes approved by the company's shareholders in general meeting are available from the company's website, www.schouw.dk.

Investor relations policy
Schouw & Co. aims to create value and achieve results to match the best of our industry peers.

The company's investor relations policy is to provide reliable information and to maintain professional relations with shareholders and the market so as to ensure that investors always have the necessary information to make an assessment of the Group's true values.

Schouw & Co. complies with the duty of disclosure rules of Nasdaq Copenhagen.

The company's annual and interim reports and its stock exchange announcements of the last three years are available from its website, www.schouw.dk, where users can also subscribe to the company's news service.

Investor information

Schouw & Co. hosts conference calls when releasing annual and interim reports. Presentations given during conference calls will subsequently be posted on the company's website.

From time to time, Schouw & Co. holds meetings with investors and other parties. Presentations from such meetings are also available from the company's website.

Schouw & Co. observes a three-week silent period ahead of releasing financial reports. During such periods, our financial communications are subject to special restrictions.

Any queries to the company's management should be e-mailed to: schouw@schouw.dk.

www.schouw.dk
The company's web site contains press releases and company announcements, as well as more detailed information on the Group. Interested parties are also invited to subscribe to the company's news service.

Financial calendar
April 9, 2015: Annual General Meeting

April 14, 2015: Expected distribution of dividend for the 2014 financial year

May 7, 2015: Release of Q1 interim report

August 13, 2015: Release of H1 interim report

November 5, 2015: Release of Q3 interim report

Company announcements
Company announcements to the Danish FSA and Nasdaq Copenhagen since January 1, 2014. The announcements are available at the company's website, www.schouw.dk.

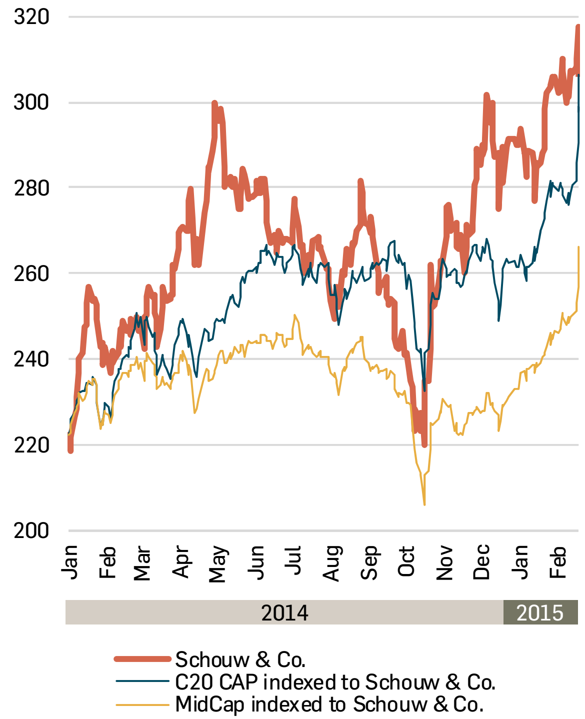
05.03.2014	#1 Annual report 2013
12.03.2014	#2 Continuation of incentive programme
13.02.2014	#3 Notice of annual general meeting
10.04.2014	#4 Annual general meeting
06.05.2014	#5 Interim report for Q1 of 2014
27.05.2014	#6 BioMar to make major capacity investment in Norway
14.08.2014	#7 Interim report for H1 of 2014
17.09.2014	#8 Management change at BioMar
24.10.2014	#9 Fibertex Nonwovens acquires US company Non Woven Solutions
30.10.2014	#10 Fibertex Personal Care takes full ownership of Innowo Print
03.11.2014	#11 Interim report for Q3 of 2014
17.12.2014	#12 Financial calendar 2015
22.01.2015	#1 EBIT for 2014 higher than expected

Dividend policy
Schouw & Co. aims to pay stable or growing dividends, always with due consideration for the company's earnings and any potential major investments or acquisitions.

The Board of Directors recommends that the dividend for 2015 be raised by 33% to DKK 8 per share. This is the fourth successive year the dividend is raised.

Share price performance
The Schouw & Co. share closed the year at a price of DKK 290.00 (official year-end price), compared with DKK 222.50 per share at December 31, 2013, corresponding to an increase of 30%.

Accordingly, the total market capitalisation of the company's listed share capital amounted to DKK 7,395 million at the close of the financial year, against DKK 5,674 million at the close of 2013. Adjusted for the holding of treasury shares, the company's market capitalisation was DKK 6,812 million at December 31, 2014.



REPORT

Corporate Governance

Statutory report
Schouw & Co. has prepared a statutory corporate governance report for the 2014 financial year, as required under section 107 b of the Danish Financial Statements Act. The statutory report consists of three parts:

- A report on the company's work to comply with the recommendations on corporate governance, which is found below.
- A description of the main elements of the Group's internal control and risk management systems in connection with the financial reporting process, which is found on page 21.
- A description of the composition of the company's management bodies, committees established and their functions, which is found on pages 22-23. In addition, information on the company's Board of Directors and Executive Management can be found on pages 13-16.

The full report on corporate governance as required under section 107 b of the Danish Financial Statements Act is available (in Danish) from www.schouw.dk/cg2014. As required under section 99 a of the Danish Financial Statements Act, Schouw & Co. has also prepared a statutory report on corporate social responsibility, and a statutory report on targets and policies on the gender composition of the management, see section 99 b of the Danish Financial Statements Act, which can be found below.

Corporate governance recommendations
Schouw & Co. complies with the rules applying to companies listed on Nasdaq Copenhagen, which include a code on corporate governance as set out in "Corporate Governance Recommendations".

The Board of Directors and the Executive Management of Schouw & Co. see corporate governance as a natural part of running a responsible business. Corporate governance considerations and the interaction with the company's stakeholders is a constant priority, and considering the company's corporate governance policy is a recurring item in the annual business of the Board meetings.

Schouw & Co. believes it complies in all material respects with the intentions of "Corporate Governance Recommendations". However, there are a few areas in which Schouw & Co. does not apply the corporate governance recommendations.

A detailed account of the company's position on each individual item of the Recommendations on Corporate Governance (in Dahish) is provided on Schouw & Co.'s website:
www.schouw.dk/cg2014.

Social responsibility (section 99 a)
Schouw & Co.'s general policy is for all of the Group's companies, as a minimum, to comply with relevant legislation and regulations applying in the countries and local communities in which they operate. None of the portfolio companies have any outstanding issues with the authorities of those countries.

Schouw & Co. operates a decentralised group of companies that derive the bulk of their revenue from advanced process production in which issues like ongoing reduction of energy consumption and waste of input materials form an essential part of their business model. Most of the Group's operations are located in Denmark or neighbouring European countries with well-established and detailed legislation. However, the Group also has business operations in non-European countries, mainly in Malaysia and Chile, but the production facilities there are generally fully on par with the European units. In Europe as well as the other countries, our companies generally employ a skilled workforce.

Considering the assumed high standards in our portfolio companies, we have not yet found it necessary to lay down specific CSR policies or establish systems or mechanisms inherent to such policies. Accordingly, Schouw & Co. has not adopted a specific policy for reducing the climate impact from the company's activities or specific policies pertaining to human rights.

Schouw & Co. intends to investigate its options for working out appropriate guidelines for structuring CSR efforts across the Group's companies. The website www.schouw.dk contains illustrative examples of activities in our individual subsidiaries. ➔

Corporate Governance

Gender composition (Section 99 b)
The Board of Directors of Schouw & Co. has fixed the following targets for the gender composition of the management.

For the measurement period from April 1, 2013 to March 31, 2017, the target is to increase the number of women board members of Aktieselskabet Schouw & Co. from one member currently, equal to 14%, to at least two members, equal to at least 28%. A target has also been defined for the Group that all large Danish reporting class C companies should have representation of at least one women board member, equal to at least 20%. At the start of the measurement period, none of these companies had women board members.

There have been no changes to the boards of directors involved since the current targets were fixed. Accordingly, the Group has not made progress in meeting the targets fixed.

In 2013, the Board of Directors of Schouw & Co. adopted, on behalf of the Group, the following policy for increasing the proportion of the underrepresented gender at the Group's other management levels.

Schouw & Co. is aware that the proportion of women at management level in the Group is generally lower than the gender composition of the Group's employees in general. Accordingly, the companies of the Schouw & Co. Group will make a special effort to create a framework to support the career development of individual women employees, for example through networks, mentor schemes or other specific initiatives that may help individual employees build management experience.

The companies of the Schouw & Co. Group will also make a dedicated effort to ensuring the best possible women representation among candidates being considered for management positions.

In September 2014, Schouw & Co. held its first ever symposium, which was attended by 60 senior managers from our portfolio companies across the world. A total of 8% of the participants at the event were women, a percentage that is lower than the gender composition of the Group's employees in general.

At the end of 2014, BioMar reorganised its senior international management team, setting up an executive board consisting of two persons and a six-person management team. Following the reshuffling, the management team has one female member. Previously, there were no female members of BioMar's senior management.

The financial reporting process

As part of its statutory report on corporate governance, the company is required to describe the main features of the Group's internal control and risk management systems in relation to the financial reporting process.

Group structure

The Schouw & Co. Group consists of a number of legal corporate entities in an operational structure consisting of the parent company Schouw & Co. and a number of subsidiary portfolio companies each structured as focused sub-groups with their own subsidiaries.

Each individual portfolio company has a high degree of autonomy as well as its own organisation and management in charge of its operations.

Subsidiaries of the portfolio companies operate activities that are identical to or closely related to the general activities of the portfolio company, facilitating the establishment of uniform systems and procedures in the portfolio company.

The management of the portfolio company's ultimate entity is in charge of preparing and implementing reasonable and appropriate procedures and policies for the company and for ensuring a systematic and responsible controlling of the portfolio company's subsidiaries.

To support the individual managements of the portfolio companies, Schouw & Co. has issued a set of general guidelines for its subsidiaries. In addition, the parent company Schouw & Co. conducts follow-ups on its directly-owned companies with a view to ensuring that the financial reporting presents a true and fair view without material misstatement.

The Board of Directors of Schouw & Co. has appointed an Audit Committee, whose tasks include monitoring the work and processes relating to the financial reporting.

Preparation of consolidated financial statements

The preparation of consolidated financial statements is based on the Group's financial reporting manual, which is intended to ensure a uniform application of accounting policies throughout the Group that is in accordance with the international financial reporting standards, IFRS/IAS, under which Schouw & Co. prepares its financial statements.

The financial reporting manual is updated on an ongoing basis by the parent company Schouw & Co. as and when required by amendments to accounting standards and legislation. The financial reporting manual is available in electronic form to Group users.

Reporting of financial data from the Group's subsidiaries takes place in accordance with the instructions provided by the parent company in standard reporting packages transferred electronically into the parent company's financial consolidation system, thus reducing the risk of manual errors.

Auditors

Each year, the shareholders in annual general meeting appoint external auditors following a recommendation by the Board of Directors. Ahead of each recommendation, the Board of Directors makes a critical assessment of the auditor's independence and competencies, etc., in accordance with the Recommendations of Corporate Governance.

Auditors appointed by the shareholders in general meeting serve as auditors of all of the Group's major subsidiaries. In a few foreign units, however, other local auditors may be appointed for practical reasons, but audits in all group entities are conducted in accordance with instructions issued by the shareholder-appointed auditors with a focus on high-risk and material areas.

Shareholder-appointed auditors report in writing in the form of long-form audit reports to the entire Board of Directors at least once a year, and immediately on becoming aware of any matters to be brought to the attention of the Board of Directors. The independent auditor attends the meeting at which the Board considers the draft annual report, holding a private session with the Board and without the Executive Management attending.

The independent auditor also attends meetings of the audit committee, which are concluded with a private session of the audit committee without the attendance of the day-to-day management.

Internal audit

On the recommendation of the Audit Committee, the Board of Directors of Schouw & Co. has resolved not to establish an internal audit function, as it is not considered necessary given the size and structure of the Group.

Management bodies

As part of its statutory report on corporate governance, the company is required to report on the composition of the Group's management bodies, committees established and their functions. The company also reports on its targets and policies on the gender composition of the management.

The Board of Directors of Schouw & Co.
The Board of Directors of Schouw & Co. consists of seven shareholder-elected members who elect a chairman and a deputy chairman from among their number.

Board members are elected for terms of four years and for purposes of continuity the individual members are up for election in different years. When a new Board candidate is nominated, emphasis is on the potential new member possessing the professional knowledge and experience to contribute to maintaining the necessary scope of competence on the Board and on the potential new member being able to act independently of special interests.

The Board of Directors carries out an annual self-assessment, applying a structured model. The chairman is responsible for carrying out the assessment, and the results are discussed by the entire Board. The Board of Directors performed its most recent self-assessment in December 2014, and it concluded that the Board works well as a unit and that, overall, it has the competencies necessary for it to perform its duties.

The Board of Directors is responsible for the overall management of the company, which includes appointing the members of the Executive Management, laying down guidelines for and exercising control of the work performed by the Executive Management, organising the company's business in a responsible manner, defining the company's business concept and strategy and evaluating the adequacy of the company's capital contingency programme.

The duties of the Board are set out in the company's rules of procedure, and Board meetings are conducted in accordance with a fixed master agenda, which over the full year ensures compliance with the Board's rules of procedure.

The Board of Directors held six Board meetings, a conference call and a Board seminar in 2014, corresponding to the ordinary level of Board activity in the company.

Ordinary Board meetings are scheduled at least six months in advance. Board meetings are normally attended by all members of the Board and the Executive Management.

Schouw & Co.'s Board committees
The Board of Directors of Schouw & Co. has appointed an audit committee consisting of Niels Kristian Agner (chairman), Jørn Ankær Thomsen and Jørgen Wisborg.

Jørgen Wisborg is considered to be independent, Niels Kristian Agner is not considered to be independent, having served on the Board for more than 12 years, and Jørn Ankær Thomsen is not considered to be independent due to his affiliation with the main shareholder Givesco A/S and his affiliation to a law firm which acts as an adviser to the company, and because he has served on the Board for more than 12 years.

All three members are considered to meet the requirements under the Auditors' Act on accounting qualifications.

The Audit Committee's task is mainly to monitor the work and processes relating to the financial reporting process. The Committee assists the Board in assessments and controls relating to auditing, accounting policies, systems of internal controls, financial reporting, etc.

The Audit Committee normally convenes four times a year, as was the case in 2014.

Due to the company's simple management structure, the Board of Directors believes that at the present time it is most appropriate that all Board members participate in the work to nominate candidates and determine remuneration. Accordingly, the Board of Directors has not set up a nomination committee or a remuneration committee.

The Executive Management of Schouw & Co.
The members of the Executive Management of Schouw & Co. are Jens Bjerg Sørensen, President, and Peter Kjær, Vice President. The members of the Executive Management are registered with the Danish Business Authority.

The Executive Management is in charge of the day-to-day management of the company both at

Management bodies

parent company and consolidated level and complies with the guidelines and directions issued by the Board of Directors.

The day-to-day management does not include any transactions that, considering the company's circumstances, are of an unusual nature or of material importance. Such transactions can only be made by the Executive Management upon specific authority from the Board of Directors unless awaiting a decision by the Board of Directors would cause significant disadvantage to the activities of the company.

Management of the portfolio companies
The Schouw & Co. Group has a decentralised corporate structure, under which the individual portfolio companies enjoy a large degree of independence and have their own individual organisation and management in charge of the company's operations. Each portfolio company is structured as focused sub-groups with their own subsidiaries.

The boards of directors of the ultimate company of the individual portfolio companies are generally composed of a representative from each of the Board of Directors and the Executive Management of Schouw & Co. along with external board members who have a special interest in and knowledge of the particular portfolio company's business area.

The boards of directors of a portfolio company's underlying subsidiaries are generally composed of managers and employees from the portfolio company and possibly external board members.

To support the individual managements of the portfolio companies, Schouw & Co. has issued a set of general guidelines for its subsidiaries.

Remuneration policy
Schouw & Co.'s remuneration policy is intended to firmly align the interests of the members of the Board of Directors and the Executive Management with those of the shareholders and the company.

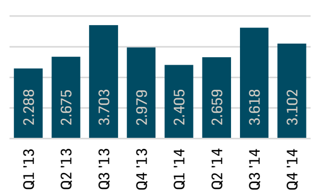
The remuneration policy is a means of ensuring that the remuneration provided will always reasonably reflect the company's performance and current situation. In addition, it is intended to promote the long-term goals for safeguarding the company's interests.

The remuneration policy and the overall guidelines for incentive programmes can be found on the company's website, www.schouw.dk.

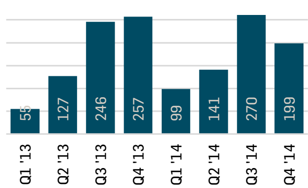
Quarterly financial highlights

Quarterly information (DKK million)	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14
Income statement								
Revenue	2,288.4	2,675.1	3,702.6	2,978.8	2,404.7	2,659.2	3,618.1	3,102.1
Gross profit	311.9	389.8	528.8	450.2	341.4	389.0	528.9	451.7
EBITDA	143.5	215.8	332.8	346.5	186.2	229.0	359.5	295.6
Depreciation and impairment	88.7	88.8	86.7	89.8	87.6	88.1	89.9	97.1
Operating profit (EBIT)	54.8	127.0	246.1	256.7	98.6	140.9	269.6	198.5
Profit after tax from associates and joint ventures	-1.2	-0.8	-1.3	-18.2	-17.1	10.5	22.9	12.2
Value adjustment of financial investments	73.5	139.6	230.8	55.1	0.0	0.0	0.0	0.0
Financial items, net (ex. financial investments)	-11.8	-15.9	-14.9	-10.7	-7.8	-10.0	-7.0	-10.0
Profit before tax	115.3	249.9	460.7	282.9	73.7	141.4	285.5	200.7
Tax on profit	-15.9	-46.0	-112.7	-74.7	-20.0	-32.3	-65.1	-156.2
Profit from continuing operations	99.4	203.9	348.0	208.2	53.7	109.1	220.4	44.5
Profit from discontinued operations	268.4	15.1	28.6	196.0	0.0	0.0	0.0	0.0
Profit	367.8	219.0	376.6	404.2	53.7	109.1	220.4	44.5
Cash flow								
Cash flows from operating activities	-117.5	79.0	345.2	360.7	50.9	192.4	42.9	341.5
Cash flows from investing activities	88.2	-149.3	-76.5	659.1	-16.1	-64.6	-81.9	-191.9
Cash flows from financing activities	-76.4	18.9	-39.7	-589.9	154.9	-98.9	-270.3	-348.7
BALANCE SHEET								
Intangible assets	1,019.3	1,015.6	960.2	939.7	937.3	936.2	953.3	1,094.9
Property, plant and equipment	3,154.6	3,138.6	2,753.1	2,628.7	2,608.4	2,585.5	2,612.2	2,715.0
Other non-current assets	541.3	670.4	1,072.9	968.4	915.6	935.3	1,004.3	937.0
Cash and cash equivalents	771.0	719.6	924.1	1,324.0	1,513.9	1,543.2	1,232.6	1,087.1
Other current assets	4,276.7	4,561.1	4,305.1	3,835.6	3,396.2	3,813.2	4,427.1	4,048.1
Assets held for sale	0.0	0.0	1,057.5	0.0	0.0	0.0	0.0	0.0
Total assets	9,762.9	10,105.3	11,072.9	9,696.4	9,371.4	9,813.4	10,229.5	9,882.1
Equity	5,017.0	5,063.2	5,391.9	5,746.0	5,756.7	5,739.7	6,048.1	6,073.8
Interest-bearing debt	2,348.8	2,475.8	2,149.6	1,473.6	1,546.2	1,610.2	1,419.5	1,174.1
Other creditors	2,397.1	2,566.3	2,860.1	2,476.8	2,068.5	2,463.5	2,761.9	2,634.2
Liabilities associated with assets held for sale	0.0	0.0	671.3	0.0	0.0	0.0	0.0	0.0
Total liabilities and equity	9,762.9	10,105.3	11,072.9	9,696.4	9,371.4	9,813.4	10,229.5	9,882.1
Average number of employees	2,025	2,029	2,054	2,099	2,063	2,097	2,144	2,228
FINANCIAL KEY FIGURES								
Gross profit margin	13.6%	14.6%	14.3%	15.1%	14.2%	14.6%	14.6%	14.6%
EBITDA margin	6.3%	8.1%	9.0%	11.6%	7.7%	8.6%	9.9%	9.5%
EBIT margin	2.4%	4.7%	6.6%	8.6%	4.1%	5.3%	7.5%	6.4%
ROIC excl. goodwill (annualised)	14.1%	13.4%	13.0%	16.1%	17.3%	18.1%	18.7%	16.9%
Working capital	2,053.8	2,200.3	1,694.1	1,424.2	1,522.1	1,540.6	1,888.7	1,774.7
Net interest-bearing debt	1,531.1	1,706.6	975.4	-23.4	-2.1	24.3	141.7	43.6

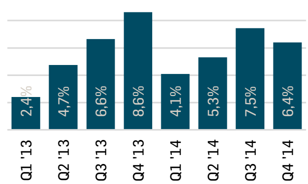
Revenue



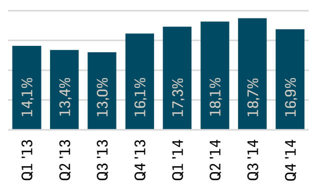
Operating profit (EBIT)



EBIT%



ROIC ex. goodwill



REPORT

Our businesses

BioMar

BioMar is the world's third-largest manufacturer of quality feed for the fish farming industry. The company divides its operations into three geographical regions: the North Sea (Norway and Scotland), the Americas (Chile and Costa Rica) and Continental Europe.

Financial performance

In terms of feed volume sales, 2014 was very different from 2013, which saw weak sales in the first half-year due to a long and cold winter season in northern Europe but good sales in the second half. The first half of 2014 was a period of good sales, especially in Chile, as larger fish and later harvesting served on average to increase demand. On the other hand, the second half of the year was a difficult period, with reduced quantities of farmed fish in Chile, constantly tougher competition in Norway and ever-growing financial challenges in southern Europe.

The full-year volumes were slightly higher, but revenue was down by 3%, from DKK 8,702 million in 2013 to DKK 8,451 million in 2014, mainly due to lower raw materials prices. The lower revenue related to the North Sea and Continental Europe regions, whereas the Americas reported improvements.

Changes in the prices of raw materials generally trigger similar revenue changes, but do not necessarily lead to changes in earnings. That explains why, despite the drop in revenue, EBIT improved from DKK 394 million in 2013 to DKK 434 million in 2014, an improvement due to improved profitability in the North Sea and Americas regions. Also, lower provisions for trade receivables in BioMar supported the profit for the year, in part because a cash payment received at the end of January 2015 helped reduce the estimated provisioning need by DKK 13 million.

The Group's working capital increased from DKK 741 million at December 31, 2013, to DKK 983 million at December 31, 2014, mainly due to larger inventories. Net interest-bearing debt grew slightly from DKK 353 million at December 31, 2013, to DKK 386 million at December 31, 2014, following payment of an intra-group dividend of DKK 200 million in the first quarter of 2014.

Business development

The general expectations for BioMar's two core markets of Norway and Chile is that market growth will be negligible in 2015. Obviously, the Norwegian market is affected by Marine Harvest beginning to produce feed in-house in 2014, but while that move reduced the accessible market, the Norwegian market remains important and offers powerful long-term growth potential. The prospects are supported by the Norwegian government and its desire to see sustainable, stable long-term growth in Norwegian fish farming.

The size of the Chilean market in 2015 is a little unclear, but current expectations are that the country's overall feed market will contract slightly relative to 2014 due to smaller fish stocks, given the large volumes harvested in the second half of 2014.

In the other markets, the greatest uncertainty is southern Europe – Greece in particular, as no solutions have yet been found for a capital consolidation and restructuring of the Greek fish farming industry.

BioMar has worked hard to expand its operations in recent years by developing feed for new fish species and establishing new geographical markets. The new factory for tilapia feed production in Costa Rica, built in 2012 was an important part of those efforts, and the process has been a very useful experience for BioMar.

BioMar is currently working to set up production in Turkey in association with Turkish company Sagun Group. The new factory, scheduled for commissioning in 2016, will initially have an expandable capacity of about 50,000 tonnes of feed. Production will be focused on fish species that BioMar already produces feed for.

In addition, BioMar is keeping an eye out for expansion opportunities in Asia, a market with a huge but complex, potential. The challenges lie not only in the need for developing feed for other fish species, but very much also in building relations and accumulating market knowledge. Asia typically requires more fragmented production than the markets where BioMar is currently active. It is also a region with different food standards and traceability requirements than what BioMar must currently comply with in producing high-quality feed.

BioMar

Outlook

Expectations for how total volumes will develop on the core markets in 2015 are relatively moderate. BioMar expects 2015 revenue to be at the 2014 level, but – as always – revenue may be strongly affected by changes in the prices of raw materials without such changes necessarily having a notable effect on profit.

The general market conditions are set to become more challenging in 2015, driven mainly by more competition in the core markets of Norway and Chile and by the continuing uncertainty in southern Europe. As a result, BioMar will have to defend its competitive strength through careful margin management, quicker implementation of new products on the market and further efficiency improvements based on more globalised concepts.

Against this background, BioMar expects to generate full-year 2015 revenue of DKK 8.5 billion and EBIT in the range of DKK 360-410 million.

	2014	2013
Volume (thousands of tonnes)	996	980
Revenue	8,451	8,702
- of which North Sea	4,099	4,357
- of which Americas	2,558	2,424
- of which Continental Europe	1,794	1,921

	2014	2013
INCOME STATEMENT		
Revenue	8,451.3	8,702.0
Gross profit	1,019.4	1,057.8
EBITDA	574.2	538.0
Depreciation and impairment	139.8	143.8
Operating profit (EBIT)	434.4	394.2
Profit after tax from associates and joint ventures	2.5	0.0
Value adjustment of shares in Lerøy	0.0	14.9
Financial items, net (ex fin. investments in Lerøy)	-38.6	-37.0
Profit before tax	398.3	372.1
Tax for the year	-214.2	-89.3
Profit for the year	184.1	282.8
CASH FLOWS		
Cash flows from operating activities	266.3	372.9
Cash flows from investing activities	-166.5	48.5
Cash flows from financing activities	-60.0	-213.7
BALANCE SHEET		
Intangible assets *	354.9	319.1
Property, plant and equipment	919.0	956.1
Other non-current assets	196.7	129.7
Cash and cash equivalents	605.5	511.6
Other current assets	2,765.1	2,625.0
Total assets	4,841.2	4,541.5
Equity	1,902.2	1,765.1
Interest-bearing debt	1,019.4	879.0
Other creditors	1,919.6	1,897.4
Total liabilities and equity	4,841.2	4,541.5
Average number of employees	904	885
FINANCIAL KEY FIGURES		
EBITDA margin	6.8%	6.2%
EBIT margin	5.1%	4.5%
ROIC ex goodwill	22.9%	20.1%
Working capital	982.6	740.5
Net interest-bearing debt	386.2	353.2

* Excluding goodwill on consolidation in Schouw & Co. of DKK 430.2 million

Fibertex Personal Care

Fibertex Personal Care is one of the world's largest manufacturers of spunbond/spunmelt nonwoven fabrics for the personal care industry. The company's products are key components in nappies, sanitary towels and incontinence products. The company's activities are concentrated mainly in Europe and South East Asia.

Financial performance
Fibertex Personal Care increased revenue by 15%, from DKK 1,554 million in 2013 to DKK 1,787 million in 2014. The improvement was mainly driven by a higher-volume output at the factory in Malaysia.

EBIT climbed from DKK 164 million in 2013 to DKK 171 million in 2014, with improvements from both Denmark and Malaysia. The profit for the year was higher than the current guidance, mainly due to substantially lower prices of raw materials towards the end of the year.

Working capital increased from DKK 247 million at December 31, 2013, to DKK 293 million at December 31, 2014, mainly due to expanded capacity at the factory in Malaysia. Net interest-bearing debt increased from DKK 644 million at December 31, 2013, to DKK 688 million at December 31, 2014, also due to expansion in Malaysia.

Business development
Fibertex Personal Care produces a number of materials used in nappies and other disposable personal hygiene products. With production facilities in Denmark and Malaysia and a top-three position in both Europe and South East Asia, Fibertex Personal Care is one of the world's largest manufacturers of spunmelt products for the personal care industry.

Fibertex Personal Care sells its products all over the world, but its main focus is on Europe and South East Asia. Sales are made directly to major international manufacturers of nappies and other hygiene products through the company's sales organisations based in Denmark and Malaysia.

Maintaining good professional relationships with customers is absolutely essential. The means to achieving this is through extensive product development and product optimisation efforts. The company is working to develop softer products, to enhance their skin-comfort and produce thinner and more lightweight materials while at the same time improving their ability to conduct and encapsulate liquids.

There was a clear tendency in 2014 for growing demands on the company's efficiency in planning and logistics. Due to the demands the company's customers face from major retailers for shorter and shorter lead times, Fibertex Personal Care has devoted a great deal of time and effort to rethinking its in-house processes in order to enable the company to meet these requirements.

Fibertex Personal Care's Danish operations performed very well in 2014. Capacity utilisation was high and production efficiency was satisfactory all through the year, and products were of a high quality. In 2014, Fibertex Personal Care's division in Malaysia worked to align its operations to the current market situation and, like the factory in Denmark, achieved a high level of capacity utilisation and efficient operations.

At the end of October 2014, Fibertex Personal Care acquired the remaining 85% of the shares in Innowo Print, a company based in Ilsenburg, Germany. Fibertex Personal Care had previously held a 15% ownership interest in the company since 2007. Innowo Print, the European leader in direct printing on nonwovens, has an independent customer portfolio and is a recognised brand in the market. The company operates three printing lines, where the third was commissioned early 2015.

The acquisition has further strengthened Fibertex Personal Care's market position, as direct printing on nonwovens is a field in which the company can differentiate itself from its competitors in the market and provide a service that complements its core product.

Outlook
The global output capacity of nonwoven fabrics is growing constantly, which leads to excess capacity in different regions from time to time. Fibertex Personal Care's markets in Europe saw limited growth and a resultant strong price pressure in 2014. Asia remains a growing market in which price competition is currently also a factor, but growing demand has traditionally absorbed the surging supply in the region over time.

In 2015, Fibertex Personal Care will remain focused on consolidating its business and on →

Fibertex Personal Care

utilising its overall production capacity.

The company will also continue to pay special attention to opportunities for profitable growth in South East Asia: market developments may provide scope for further expansion of production capacity in the region in the relatively near future.

Fibertex Personal Care experienced a plunge in prices of raw materials in late 2014 and early 2015. Lower prices mean less revenue, but the current sharp drop has also temporarily strengthened earnings. On the other hand, raw materials prices are expected to recover as the year wears on, which will likely eliminate the benefit to earnings in the early part of the year.

Against this background, Fibertex Personal Care expects to generate full-year 2015 revenue of DKK 1.7 billion, partly also as a result of Innowo Print having been consolidated as a wholly owned subsidiary, and thus in part offsetting the effect of lower raw material prices. However, if the expected increase in revenue were to materialise sooner or later than anticipated, it may have a positive or negative impact on revenue. Assuming that the effects of the lower raw materials prices are eliminated as the year progresses, the FY EBIT is expected to be in the DKK 160-180 million range.

	2014	2013
Revenue	1,787	1,554
- of which from Denmark	865	799
- of which from Malaysia	922	755

	2014	2013
INCOME STATEMENT		
Revenue	1,787.5	1,554.2
Gross profit	288.8	268.5
EBITDA	307.6	288.4
Depreciation and impairment	136.3	124.5
Operating profit (EBIT)	171.3	163.9
Financial items, net	-2.3	-7.0
Profit before tax	169.0	156.9
Tax for the year	-34.3	-33.9
Profit for the year	134.7	123.0
CASH FLOWS		
Cash flows from operating activities	225.8	208.3
Cash flows from investing activities	-129.5	-226.0
Cash flows from financing activities	-85.8	12.5
BALANCE SHEET		
Intangible assets *	75.0	24.3
Property, plant and equipment	1,099.7	1,010.6
Other non-current assets	127.6	147.9
Cash and cash equivalents	20.8	9.4
Other current assets	558.7	438.1
Total assets	1,881.8	1,630.3
Equity	730.0	634.7
Interest-bearing debt	708.8	657.8
Other creditors	443.0	337.8
Total liabilities and equity	1,881.8	1,630.3
Average number of employees	447	429
FINANCIAL KEY FIGURES		
EBITDA margin	17.2%	18.6%
EBIT margin	9.6%	10.5%
ROIC ex goodwill	14.4%	13.6%
Working capital	292.7	246.8
Net interest-bearing debt	688.0	643.6

* Excluding goodwill on consolidation in Schouw & Co. of DKK 48.1 million

Fibertex Nonwovens

Fibertex Nonwovens is among Europe's leading manufacturers of nonwovens, i.e. non-woven textiles used for a number of different industrial purposes. The company's core markets are in Europe and North America and its secondary markets are in Africa.

Financial performance
Fibertex Nonwovens generated revenue of DKK 1,048 million in 2014, a 12% increase from DKK 933 million in 2013. The improvement was mainly attributable to healthy sales of products to the auto industry and other specialised products for industrial purposes, but the company also had other well-performing segments. Also contributing to the improvement was the newly-acquired US company Non Woven Solutions LLC ("NWS"), which is consolidated as from the date of acquisition at the end of October 2014.

EBIT improved by DKK 25 million to reach DKK 62 million, up from DKK 37 million in 2013, driven by improvements in the core businesses and increased sales of customised value-added products. Overall, the acquisition of the US company had a negligible effect on the 2014 financial results.

Working capital increased from DKK 285 million at December 31, 2013, to DKK 319 million at December 31, 2014, mainly due to the acquisition of the US company. Similarly, net interest-bearing debt increased from DKK 452 million at December 31, 2013, to DKK 522 million at December 31, 2014, after a DKK 40 million capital contribution from Schouw & Co.

Business development
Fibertex Nonwovens saw a good level of demand in 2014, with high capacity utilisation at all factory sites driven especially by solid sales of products to the automotive industry and for industrial applications. Sales of construction products and geotextiles for infrastructure projects were on a par with the 2013 figure.

Fibertex Nonwovens is engaged in R&D, production and sales of nonwovens for these global business areas:

- Automotive (engine compartment insulation, car ceilings, door panels, trim panels and acoustic solutions)
- Construction (geotextiles, building and composite materials, and DIY products)
- Industrial (furniture, mattresses, carpets and flooring) and the med-tech industry
- Filtration (air, liquid and odour filters) and acoustics
- Wipes (wet wipes for the consumer market and specialist products for the industrial market).

In recent years, Fibertex Nonwovens has worked to align its operations to the market situation, preparing to capitalise on the potential of the growing product segments and geographical growth markets. The company has stepped up its market focus and is strongly committed to winning market share in its core business areas while also boosting sales to the composites industry and sales of customised value-added products.

A main event of the year was the acquisition of Non Woven Solutions LLC, a company based in Ingleside, Illinois, at the end of October 2014. NWS manufactures and sells nonwovens in various product areas of the US market. Before acquiring NWS, Fibertex Nonwovens had only a limited presence in the USA.

The acquisition will give Fibertex Nonwovens unique opportunities to grow its sales of value-added products to North America's composites and automotive industries in particular, but it is also expected to have a positive effect on sales in other product areas. As of December 1, 2014, the subsidiary was renamed Fibertex Nonwovens LLC.

At the beginning of 2010, Fibertex Nonwovens set up a factory in South Africa in association with local business partners and IFU, the Investment Fund for Developing Countries. Sales from the factory have grown substantially in recent years, strengthening the basis for prospective growth. The factory's bottom line has improved greatly, although it is still running at a loss.

Demand is expected to continue to grow in 2015, driven by sales to the industrial and automotive segments and by a large number of infrastructure projects in neighbouring countries and locally in South Africa. As a result, Fibertex South Africa expects to report growing revenue and earnings in 2015.

Effective from March 1 2015, Fibertex Nonwovens increased its ownership interest in Fibertex South Africa to 74%, consolidating the company as →

Fibertex Nonwovens

from that date. At the same time, Fibertex South Africa acquired an existing line for producing fibre and invested in a new production line expected to be commissioned by the end of 2015.

Outlook

Fibertex Nonwovens anticipates a stable to moderately growing level of activity in 2015. Demand seems to have stabilised in most industrial markets, but a few segments remain volatile.

The year 2015 will be a year of transition with several production lines scheduled for upgrading and therefore out of service for a period of time. New capacity will also be added, but will not be in commercial operation until 2016. On the other hand, Fibertex Nonwovens LLC will be recognised for the full year and Fibertex South Africa will be consolidated from the date of acquisition.

Against this backdrop, Fibertex Nonwovens expects to generate revenue of about DKK 1.2 billion in 2015. The company expects a slight improvement in EBIT to the DKK 65-75 million range, but given the acquisitions and current investments, combined with the company's stronger efforts to work the market and its focus on growing sales of value-added products, Fibertex Nonwovens has built a sound platform from which to grow its earnings.

	2014	2013
Revenue	1,048	933
- of which from Denmark	245	217
- of which from Czech Republic	309	277
- of which from France	469	439
- of which from USA	25	0

	2014	2013
INCOME STATEMENT		
Revenue	1,048.0	932.7
Gross profit	222.1	190.6
EBITDA	128.2	102.1
Depreciation and impairment	66.0	64.9
Operating profit (EBIT)	62.2	37.2
Profit after tax from associates	-1.7	-5.0
Financial items, net	-10.2	-14.8
Profit before tax	50.3	17.4
Tax for the year	-14.4	-5.5
Profit for the year	35.9	11.9
CASH FLOWS		
Cash flows from operating activities	82.1	57.6
Cash flows from investing activities	-134.0	-35.9
Cash flows from financing activities	80.5	-25.4
BALANCE SHEET		
Intangible assets *	141.5	66.6
Property, plant and equipment	497.4	449.3
Other non-current assets	10.6	12.0
Cash and cash equivalents	58.7	30.1
Other current assets	470.3	412.4
Total assets	1,178.5	970.4
Equity	385.5	314.0
Interest-bearing debt	584.3	482.0
Other creditors	208.7	174.4
Total liabilities and equity	1,178.5	970.4
Average number of employees	547	511
FINANCIAL KEY FIGURES		
EBITDA margin	12.2%	10.9%
EBIT margin	5.9%	4.0%
ROIC ex goodwill	8.4%	5.1%
Working capital	318.7	285.1
Net interest-bearing debt	521.7	451.8

* Excluding goodwill on consolidation in Schouw & Co. of DKK 32.0 million

Hydra-Grene

Hydra-Grene is a specialised trading and engineering company whose core business is trading and producing hydraulic components and systems development for industry, as well as providing related services. Hydra-Grene's core operations are based in Denmark and in other parts of Europe, and the company serves selected business segments in overseas markets.

Financial performance

Hydra-Grene performed well in 2014, driven especially by a higher level of activity in the wind turbine segment than in the previous year, and the company grew its revenue by 18% from DKK 480 million in 2013 to DKK 566 million in 2014. Apart from the higher sales to the wind turbine industry, overall sales to other industry customers also improved slightly relative to 2013. Offshore, the new business area, reported a decent growth performance.

EBIT rose from DKK 46 million in 2013 to DKK 60 million in 2014 as a direct effect of the increased business activity.

Also due to the higher level of business activity, overall working capital was up from DKK 172 million at December 31, 2013, to DKK 187 million at December 31, 2014. Net interest-bearing debt fell from DKK 127 million at December 31, 2013 to DKK 96 million at December 31, 2014, even after the company paid DKK 25 million in intra-group dividends in the first quarter of 2014.

Business development

Hydra-Grene is a specialised trading and engineering company, whose principal business is to sell components and accessories for hydraulics, industrial hoses and related areas, including the supply of assembled products such as hydraulic pump units, cooling and lubricating systems, and system solutions, as well as the manufacture of aluminium valve blocks.

As part of its shift in recent years towards selling increasingly complex products and system solutions to the wind turbine industry in particular, Hydra-Grene has continually adapted to the tough demands on its organisation and quality management capabilities and now also applies these new capabilities in new business areas.

Hydra-Grene continues to invest in preparing the company for the future by adding more technical staff on the product development side: for example, the company is currently involved in major development projects for the wind turbine industry and the offshore industry.

Hydra-Grene generates most of its business in Denmark: its international sales are mainly to customers in the wind turbine industry, the offshore industry and other industries in which the company has special expertise.

In China, activity in the wind turbine segment remained subdued in 2014 compared with 2013. Hydra-Grene is also involved in several development projects in China that are expected to boost revenue in future years, provided the general wind turbine market in China otherwise develops favourably. Hydra-Grene manufactures a number of relatively simple components in China and produces the more complex systems in Denmark.

Hydra-Grene's principal customers in China are European companies that have set up local production facilities in China.

Sales to the wind turbine industry in India trended upwards: 2014 was the company's best year ever, with sales doubling from 2013. Sales to the Indian market mainly target local Indian manufacturers, and the components used are, increasingly, sourced locally and then finished at Hydra-Grene's Indian site.

Hydra-Grene's only activity in the USA is a sales office: the company's goods and services are supplied from its head office in Skjern, Denmark.

According to Hydra-Grene's general strategy, production of core products such as valve blocks and systems will continue to be based in Denmark. For this reason, the company is focusing strongly on a production process that is automated and efficient enough to maintain competitive strength despite high wage costs and the generally high cost levels in Denmark.

Hydra-Grene operates in a price-sensitive market, and this forces the company to continually optimise its competitive strength in a global perspective. To that end, Hydra-Grene implemented a new ERP system in 2014 that also gradually optimised a number of business procedures and processes. Implementation was a very demanding process, but the system is now in stable operation and the company is currently focusing on optimising the system.

Hydra-Grene

Outlook

Hydra-Grene targeted the offshore market in a more directed effort in 2014, applying many of the competencies and systems it has developed in its efforts to position itself as a supplier to the wind turbine industry. The company's management is confident that the products and services Hydra-Grene offers form a good platform from which to develop this segment over the next few years, even though the low oil prices currently prevailing have reduced short-term expectations to the offshore market.

Hydra-Grene expects lower year-on-year sales to the wind turbine industry in 2015, primarily due to the highly competitive international market and the relatively large demand fluctuations expected during the year. The company anticipates stable sales to its other industry customers, but the current crisis in the agricultural sector will undoubtedly have a negative impact on sales to the major manufacturing customers in the agro area.

Against this background, Hydra-Grene expects to generate full-year 2015 revenue of just over DKK 500 million and EBIT in the range of DKK 45-55 million.

	2014	2013
INCOME STATEMENT		
Revenue	565.8	479.5
Gross profit	176.9	148.0
EBITDA	78.0	64.3
Depreciation and impairment	17.9	18.2
Operating profit (EBIT)	60.1	46.1
Financial items, net	1.1	-5.7
Profit before tax	61.2	40.4
Tax for the year	-15.2	-9.3
Profit for the year	46.0	31.1
CASH FLOWS		
Cash flows from operating activities	59.5	63.6
Cash flows from investing activities	-3.5	-14.6
Cash flows from financing activities	-72.3	-18.4
BALANCE SHEET		
Intangible assets	13.3	19.4
Property, plant and equipment	97.4	105.4
Cash and cash equivalents	22.1	38.4
Other current assets	258.5	240.2
Total assets	391.3	403.4
Equity	187.7	167.2
Interest-bearing debt	118.2	165.0
Other creditors	85.4	71.2
Total liabilities and equity	391.3	403.4
Average number of employees	230	215
FINANCIAL KEY FIGURES		
EBITDA margin	13.8%	13.4%
EBIT margin	10.6%	9.6%
ROIC ex goodwill	22.6%	18.2%
Working capital	187.1	172.5
Net interest-bearing debt	96.1	126.6

Kramp

Kramp is the leading supplier of spare parts and accessories to the agricultural sector in Europe, and a supplier of technical articles and other goods to industry.

Schouw & Co. merged its wholly owned subsidiary Grene with the Dutch company Kramp in 2013, giving Schouw & Co. a 20% ownership interest in the new company, whose parent company will be Kramp Groep B.V. of Varsseveld in the Netherlands.

Financial performance

The 2014 year was the first full calendar year after the merger of Kramp and Grene, and the merged company reported a 7% net revenue improvement to DKK 4,905 million, as compared to the 2013 proforma revenue of DKK 4,594 million. The positive performance was broadly based on the company's markets, with the one special exception that revenue recognised from the Russian operations fell due to the drastic plunge in the value of RUB.

EBIT improved by DKK 57 million to DKK 405 million from the pro forma EBIT of DKK 349 million in 2013.

Schouw & Co. recognises Kramp as an associate at a 20% share of its profit as stated after tax. The recognised share of the profit in Kramp for the first four months of 2014 was DKK 36 million lower due to adjustments that mainly related to the purchase price allocation prepared in connection with the merger. All adjustments had been made by the end of the four months. Accordingly, the recognised share of the profit for the 2014 financial year amounted to DKK 22 million.

Working capital increased from DKK 1,229 million at December 31, 2013, to DKK 1,434 million at December 31, 2014. Net interest-bearing debt increased from DKK 968 million at December 31, 2013 to DKK 1,371 million at December 31, 2014 after the company paid dividends to the shareholders, of which Schouw & Co. received DKK 76 million in 2014.

Business performance

The year 2014 began on a very strong note for Kramp, as weather conditions of the early months were much more favourable compared to 2013. However, activity in the agricultural market gradually weakened as the year wore on, forcing several tractor manufacturers and other manufacturers of agricultural machinery to cut back on production due to softening demand and growing inventories.

The general downturn in sales of new machinery rubbed off on component sales to manufacturers of agricultural machinery in the final months of the year, but has not had a similar impact on demand for spare parts and accessories, which is the main component of Kramp's business. While these developments softened performance as the year progressed, Kramp still managed to meet its projected revenue and earnings for 2014.

Kramp and Grene operated a joint venture in Russia even before the merger, and the Russian operations have performed well over the past couple of years. Measured in local currency, Kramp's Russian activities reported a revenue improvement of more than 30%, but the severe plunge in the value of the rouble has eliminated the gain in EUR terms.

The coordination of Kramp and Grene activities that began with the merger in November 2013 has proceeded as planned. In Poland, the two businesses have merged, and with effect from September 1, 2014, the Polish business now operates its wholesale business under the Kramp brand and its retail business under the Grene brand. This distinction highlights the difference between the two business areas and strengthens Kramp's market communication. Kramp maintains its high expectations for the Polish market, and the company is planning a major extension to its central warehouse in Konin in order to expand its product range and grow its revenue.

The synergies anticipated from the merger of Kramp and Grene are beginning to crystallise, as, for example, the product range and the list of suppliers have been optimised. Kramp has analysed both companies' IT systems and launched a process of developing standardised and optimised systems and processes. The head office extension project in Varsseveld was completed as planned at the end of 2014. Kramp can now continue to strengthen its central functions, partly to accommodate its constantly growing e-business activities. →

Kramp

Outlook

Historically, Kramp and Grene were two similar businesses with similar operations and subject to the same general market conditions. Both have a tradition for delivering solid earnings and stable and positive operating cash flows, and continual efficiency enhancements is a priority for the merged business.

Europe's agro industry is currently facing a number of important challenges. While they vary from market to market, they are generally the result of economic and political conditions, leading to moderate demand expectations.

However, Kramp's competitive strength makes it well positioned to expect business growth in 2015. As a result, Kramp expects to generate full-year 2015 net revenue of about DKK 5.25 billion and EBIT in the range of DKK 425-450 million. Schouw & Co. expects to recognise DKK 55-65 million as its share of the profit for 2015 after financial items and tax. The amount will be recognised under profit after tax in associates.

	2014	2013
INCOME STATEMENT		
Net revenue	4,905.5	4,593.7
Gross profit	1,782.6	1,740.1
EBITDA	528.8	461.8
Depreciation and impairment	123.6	113.3
Operating profit (EBIT)	405.2	348.5
Financial items, net	-59.6	-38.4
Profit before tax	345.6	310.1
Tax for the year	-55.3	-57.6
Profit for the year	290.3	252.5
Profit recognised in Schouw & Co.	22.4	-17.5
BALANCE SHEET		
Non-current assets	1,000.5	996.4
Current assets	1,786.5	1,554.1
Total assets	2,787.0	2,550.5
Equity	1,063.1	1,229.9
Interest-bearing debt	1,371.0	969.2
Other creditors	352.9	351.4
Total liabilities and equity	2,787.0	2,550.5
Average number of employees	2,604	2,486
FINANCIAL KEY FIGURES		
EBITDA margin	10.8%	10.1%
EBIT margin	8.3%	7.6%
Working capital	1,433.5	1,229.3
Net interest-bearing debt	1,371.0	968.1

Other investments

Xergi

Schouw & Co. has been involved in the biogas field since 2001, and today co-owns Xergi on a fifty/fifty basis together with Hedeselskabet.

Xergi is one of Europe's leading suppliers of turnkey biogas systems. Its core business consists of technology development, system design and installation as well as turnkey system operation and maintenance. The company's head office is in Støvring near Aalborg, Denmark and it operates mainly on the European and US markets. Xergi is recognised as a joint venture in the Schouw & Co. consolidated financial statements.

In recent years, Xergi has invested heavily in technology innovation and in building a substantial customer and project portfolio, partly by working the market in Denmark, partly by maintaining its successful presence in the French and UK markets.

The stronger project portfolio has produced a step change in the company's activity, and Xergi boosted its revenue by 52% in 2014 to DKK 311 million from DKK 204 million in 2013. The company also strongly improved its profit for 2014, and Schouw & Co. recognised DKK 5 million from Xergi under profit/loss after tax in joint ventures in its consolidated financial statements. The company expects to sustain a similar level of activity in 2015.

Incuba Invest

Schouw & Co. holds a 49% ownership interest in the development and venture company Incuba Invest A/S, whose other shareholders are the Aarhus University Research Foundation and NRGi a.m.b.a. Incuba Invest is recognised as an associate in the Schouw & Co. consolidated financial statements.

Incuba Invest has a 26% ownership interest in Incuba, a company owning a number of properties and running three science parks in Aarhus, Denmark: the biotech-med science park next to Aarhus University Hospital, the IT science park at Katrinebjerg and the energy and clean-tech Navitas science park at the Port of Aarhus which opened in the third quarter of 2014.

In addition, Incuba Invest has for several years been engaged in development activities through an ownership interest in Østjysk Innovation, a government-approved innovation environment. Østjysk Innovation merged with a peer organisation, CAT Science Park, in 2014, and Incuba Invest now holds a 16% ownership interest in the merged company which has been named Capnova.

Lastly, Incuba Invest is involved in the venture capital area through a 38% ownership interest in Scandinavian Micro Biodevices ApS, a company producing point-of-care veterinary diagnostic products.

Incuba Invest reported a loss after tax close to break-even, but the company expects to return to profit in 2015.

Property

Schouw & Co. owns four properties in addition to the operational properties of the portfolio companies. They are the parent company's offices in Aarhus, Denmark, a minor property relating to the former Grene Industri-service, also in Aarhus, and two properties in Frederikshavn that Schouw & Co. took over in February 2013 in connection with the divestment of Martin. One of the latter two properties is still leased to Martin while the other has been put up for sale.

Consolidated financial statement

schouw+co

Consolidated financial statements · contents

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Statement of income and comprehensive income *Jan. 1-Dec. 31*

Note	Income statement	2014	2013
1, 2	Revenue	11,784.1	11,644.9
3	Cost of sales	-10,073.1	-9,964.2
	Gross profit	1,711.0	1,680.7
4	Other operating income	13.3	65.1
3	Distribution costs	-656.6	-703.0
3, 32	Administrative expenses	-359.1	-357.5
4	Other operating expenses	-1.0	-0.7
	Operating profit (EBIT)	707.6	684.6
13	Profit after tax in associates	23.2	-21.3
13	Profit after tax in joint ventures	5.3	-0.2
18	Financial income	51.9	527.0
19	Financial expenses	-86.7	-81.3
	Profit before tax	701.3	1,108.8
29	Tax on profit for the year	-273.6	-249.3
	Profit for the year from continuing operations	427.7	859.5
28	Profit for the year from discontinued operations	0.0	508.1
	Profit for the year	427.7	1,367.6
	Attributable to		
	Shareholders of Schouw & Co.	427.8	1,367.4
	Minority interests	-0.1	0.2
	Profit for the year	427.7	1,367.6
33	Earnings per share (DKK)	18.08	57.46
33	Diluted earnings per share (DKK)	18.02	57.28
33	Earnings per share from continuing operations (DKK)	18.08	36.11
33	Diluted earnings per share from continuing operations (DKK)	18.02	36.00

Note	Comprehensive income	2014	2013
	Items that can be reclassified to the profit and loss statement:		
	Exchange rate adjustment of foreign subsidiaries	190.6	-202.3
	Hedging instruments recognised during the year	-18.7	12.6
	Hedging instruments transferred to cost of sales	1.1	2.0
	Hedging instruments transferred to financials	8.0	11.1
	Hedging instruments transferred to discontinued operations	0.0	13.4
	Other comprehensive income from associates and joint ventures	-6.7	-3.4
	Other adjustment on equity	-1.8	0.0
29	Tax on other comprehensive income	2.9	-5.8
	Other comprehensive income after tax	175.4	-172.4
	Profit for the year	427.7	1,367.6
	Total recognised comprehensive income	603.1	1,195.2
	Attributable to		
	Shareholders of Schouw & Co.	603.2	1,195.0
	Minority interests	-0.1	0.2
	Total recognised comprehensive income	603.1	1,195.2

Balance sheet · assets, liabilities and equity *at Dec. 31*

Note	Assets	2014	2013
	Goodwill	970.5	876.0
	Completed development projects	12.1	18.1
	Development projects in progress	18.4	0.1
	Other intangible assets	93.9	45.5
3, 10	**Intangible assets**	1,094.9	939.7
	Land and buildings	1,262.5	1,168.6
	Plant and machinery	1,251.9	1,303.2
	Other fixtures, tools and equipment	69.6	79.9
	Assets under construction, etc.	131.0	77.0
3, 11	**Property, plant and equipment**	2,715.0	2,628.7
13	Equity investments in associates	561.7	619.2
13	Equity investments in joint ventures	64.3	20.4
23	Securities	115.0	99.5
30	Deferred tax	51.9	75.2
12	Receivables	144.1	154.1
	Other non-current assets	937.0	968.4
	Total non-current assets	4,746.9	4,536.8
5	Inventories	1,447.5	1,151.5
6	Receivables	2,592.1	2,675.2
31	Income tax receivable	8.4	8.8
23	Securities	0.1	0.1
	Cash and cash equivalents	1,087.1	1,324.0
	Total current assets	5,135.2	5,159.6
	Total assets	9,882.1	9,696.4

Note	Liabilities and equity	2014	2013
21	Share capital	255.0	255.0
	Hedge transaction reserve	-20.0	-14.5
	Exchange adjustment reserve	153.7	-36.7
	Retained earnings	5,478.2	5,385.8
	Proposed dividend	204.0	153.0
	Share of equity attributable to the parent company	6,070.9	5,742.6
	Minority interests	2.9	3.4
	Total equity	6,073.8	5,746.0
30	Deferred tax	151.3	127.9
22	Pensions and similar liabilities	113.1	98.2
20	Credit institutions	858.4	1,035.1
	Non-current liabilities	1,122.8	1,261.2
20	Current portion of non-current debt	238.1	200.2
20	Credit institutions	77.6	238.3
8	Trade payables and other payables	2,238.6	2,237.2
31	Income tax	131.2	13.5
	Current liabilities	2,685.5	2,689.2
	Total liabilities	3,808.3	3,950.4
	Total liabilities and equity	9,882.1	9,696.4

Notes without reference 14, 16-17, 24-27 & 34-36.

Cash flow statement *Jan 1.–Dec. 31*

Note		2014	2013
	Profit before tax	701.3	1,108.8
	Adjustment for operating items of a non-cash nature, etc.		
3	Depreciation and impairment losses	362.7	354.0
	Other operating items, net	33.9	-54.9
	Provisions	0.5	-2.0
	Profit/(loss) after tax in associates and joint ventures	-28.5	21.5
	Financial income	-51.9	-527.0
	Financial expenses	86.7	81.3
	Cash flows from operating activities before changes in working capital	1,104.7	981.7
7	Changes in working capital	-296.6	-86.8
	Cash flows from operating activities	808.1	894.9
	Interest income received	31.2	20.5
	Interest expenses paid	-83.8	-79.4
	Cash flows from ordinary activities	755.5	836.0
31	Income tax paid	-127.8	-168.6
	Cash flows from operating activities	627.7	667.4
9	Purchase of intangible assets	-12.9	-24.0
9	Purchase of property, plant and equipment	-232.5	-345.5
	Sale of property, plant and equipment	8.5	140.0
15	Acquisition of enterprises	-129.2	-0.5
	Acquisition of joint ventures and associates	-38.6	-4.8
	Loan to associates	-19.5	0.6
	Received dividend from associates	76.0	0.0
23	Purchase of securities	-10.0	-1.5
23	Sale of securities	3.7	757.2
	Cash flows from investing activities	-354.5	521.5

Note		2014	2013
	Debt financing:		
	Repayment of non-current liabilities	-330.9	-392.6
9	Proceeds from incurring non current financial liabilities	63.8	574.3
	Increase (repayment) of bank overdrafts	-156.3	-787.5
	Repayment of loan from associates	141.0	0.0
	Shareholders:		
	Dividend paid	-142.9	-119.2
	Purchase / sale of treasury shares, net	-137.7	37.9
	Cash flows from financing activities	-563.0	-687.1
28	**Cash flows from discontinued operations**	0.0	434.1
	Cash flows for the year	-289.8	935.9
	Cash and cash equivalents at January 1	1,324.0	406.8
	Reclassification of cash and cash equivalents at January 1	0.0	-12.5
	Value adjustment of cash and cash equivalents	52.9	-6.2
	Cash and cash equivalents at December 31	1,087.1	1,324.0

Equity statement

	Share capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed dividend	Total	Minority interests	Total equity
Equity at January 1, 2013	255.0	-42.6	159.9	4,124.1	127.5	4,623.9	3.4	4,627.3
Other comprehensive income in 2013								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	-202.3	0.0	0.0	-202.3	0.0	-202.3
Value adj. of hedging instruments recognised during the year	0.0	5.0	7.6	0.0	0.0	12.6	0.0	12.6
Hedging instruments transferred to cost of sales	0.0	2.0	0.0	0.0	0.0	2.0	0.0	2.0
Hedging instruments transferred to financials	0.0	11.1	0.0	0.0	0.0	11.1	0.0	11.1
Hedging instruments transferred to discontinued operations	0.0	13.4	0.0	0.0	0.0	13.4	0.0	13.4
Other comprehensive income from associates and JVs	0.0	0.5	0.0	-3.9	0.0	-3.4	0.0	-3.4
Tax on other comprehensive income	0.0	-3.9	-1.9	0.0	0.0	-5.8	0.0	-5.8
Profit for the year	0.0	0.0	0.0	1,214.4	153.0	1,367.4	0.2	1,367.6
Total recognised comprehensive income	0.0	28.1	-196.6	1,210.5	153.0	1,195.0	0.2	1,195.2
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	5.0	0.0	5.0	0.0	5.0
Dividend distributed	0.0	0.0	0.0	8.3	-127.5	-119.2	0.0	-119.2
Addition/disposal of minority interests	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2
Treasury shares bought/sold	0.0	0.0	0.0	37.9	0.0	37.9	0.0	37.9
Transactions with the owners for the period	0.0	0.0	0.0	51.2	-127.5	-76.3	-0.2	-76.5
Equity at December 31, 2013	255.0	-14.5	-36.7	5,385.8	153.0	5,742.6	3.4	5,746.0
Other comprehensive income in 2014								
Exchange rate adjustment of foreign subsidiaries	0.0	0.0	190.6	0.0	0.0	190.6	0.0	190.6
Value adj. of hedging instruments recognised during the year	0.0	-18.4	-0.3	0.0	0.0	-18.7	0.0	-18.7
Hedging instruments transferred to cost of sales	0.0	1.1	0.0	0.0	0.0	1.1	0.0	1.1
Hedging instruments transferred to financials	0.0	8.0	0.0	0.0	0.0	8.0	0.0	8.0
Other comprehensive income from associates and JVs	0.0	1.5	0.0	-8.2	0.0	-6.7	0.0	-6.7
Other adjustment on equity	0.0	0.0	0.0	-1.8	0.0	-1.8	0.0	-1.8
Tax on other comprehensive income	0.0	2.3	0.1	0.5	0.0	2.9	0.0	2.9
Profit for the year	0.0	0.0	0.0	223.8	204.0	427.8	-0.1	427.7
Total recognised comprehensive income	0.0	-5.5	190.4	214.3	204.0	603.2	-0.1	603.1
Transactions with the owners								
Share-based payment, net	0.0	0.0	0.0	5.3	0.0	5.3	0.0	5.3
Dividend distributed	0.0	0.0	0.0	10.5	-153.0	-142.5	-0.4	-142.9
Treasury shares bought/sold	0.0	0.0	0.0	-137.7	0.0	-137.7	0.0	-137.7
Transactions with the owners for the period	0.0	0.0	0.0	-121.9	-153.0	-274.9	-0.4	-275.3
Equity at December 31, 2014	255.0	-20.0	153.7	5,478.2	204.0	6,070.9	2.9	6,073.8

Notes · basis of preparation

This year, we have revised the structure of our consolidated financial statements in order to make the text more readable. Previously, the notes to the financial statements were presented in the order in which the corresponding financial items are presented in the primary statements, i.e. the income statement, the balance sheet, the cash flow statement and shareholders' equity. In the 2014 annual report, the notes have been grouped into four sections. Each section contains a description of the Group's accounting policies, estimates and judgments along with comments. Only individually material items are presented in the primary statements. Both quantitative and qualitative factors are used in determining whether or not an item is deemed to be principal.

Accounting policies

The annual report for the year ended December 31, 2014 has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The annual report also complies with the International Financial Reporting Standards (IFRS) issued by IASB.

Recognition and measurement

Schouw & Co. has implemented the standards and interpretations which are effective from 2014. The accounting policies are consistent with those of last year.

The annual report is approved by the Board of Directors and will be submitted for approval at the company's annual general meeting to be held on April 9, 2015.

The annual report is presented in Danish kroner.

Roundings and presentation

In the preparation of the annual report, the Schouw & Co Group uses minimum amounts of DKK 1000 in the measurement of underlying data. As the annual report is presented in millions of Danish kroner, all amounts provided have been rounded, for which reason some additions may not add up.

Consolidated financial statements

The financial statements of the Group consolidate the financial statements of Schouw & Co. and subsidiaries controlled by Schouw & Co. Control is achieved by directly or indirectly holding or having the disposal of more than 50% of the voting rights or otherwise exercising a controlling influence over the relevant enterprise. Enterprises in which the Group exercises significant influence but not control are classified as associates. Significant influence is generally achieved by directly or indirectly holding or controlling 20% or more, but less than 50%, of the voting rights. Factors used to determine whether or not Schouw & Co. has control included de facto control and potential voting rights exercisable at the balance sheet date.

Joint arrangements are activities or companies in which the Group has joint control through collaborative agreements with one or more parties. Joint control implies that unanimous decisions on the relevant activities are required by the parties sharing the controlling influence.

Joint arrangements are classified either as joint ventures or as joint operations. A joint operation refers to activities where the parties have direct rights to assets and direct obligations for liabilities, whereas a joint venture means activities for which the parties only have rights to the net assets.

Schouw & Co. has joint arrangements classified as joint operations, the most important of which are fish feed activities in Chile (Alitec Pargua). These businesses are consolidated on a pro-rata basis. Schouw & Co. also has joint arrangements classified as joint ventures, the most important of which is Xergi. These businesses are not consolidated but are recognised at the proportionate share of the profit or loss attributable to the Group.

The consolidated financial statements have been prepared by aggregating the financial statements of the parent company and the individual subsidiaries and joint arrangements prepared in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on transactions between the consolidated companies are eliminated. Unrealised gains on transactions with associates and joint ventures are eliminated in proportion to the Group's share of the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, to the extent that no impairment has occurred.

Foreign currency translation

A functional currency is determined for each of the reporting enterprises of the Group. The functional currency is the currency in the primary economic environment in which the reporting entity operates. Transactions in currencies other than the functional currency are transactions in foreign currencies.

On initial recognition, transactions denominated in foreign currency are translated at the exchange rate ruling on the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognised in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognised in the income statement under financial income or financial expenses.

On consolidation of enterprises with functional currencies other than Danish kroner, the income statements are translated at the exchange rates ruling at the transaction date and the balance sheets are translated at the exchange rates ruling at the balance sheet date. The average exchange rate for each individual month is used as the transaction date exchange rate. Exchange differences arising on the translation of the opening equity of such enterprises at the exchange rates ruling at the balance sheet date and on the translation of the income statements from the exchange rates ruling at the transaction date to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Foreign exchange adjustment of balances that are considered as part of the overall net investment in enterprises with functional currencies other than Danish kroner, are recognised directly in other comprehensive income in the exchange adjustment reserve under equity. Similarly, exchange gains and losses on the part of loans and derivative financial instruments effectively hedging the net investment in such enterprises are recognised in other comprehensive income in the exchange adjustment reserve under equity.

On consolidation of associates and joint ventures with functional currencies other than Danish kroner, the pro-rata share of the results is translated at the exchange rates ruling at the transaction date, and the share of equity including goodwill is translated at the exchange rates ruling at the balance sheet date. Exchange differences arising on the translation of the share of the opening equity of foreign associates at exchange rates ruling at the balance sheet date and on the translation of the share of the results for the year from average exchange rates to the exchange rates ruling at the balance sheet date are recognised in other comprehensive income in the exchange adjustment reserve under equity.

Derivative financial instruments

Derivative financial instruments are measured at fair value and recognised in the balance sheet under other receivables or other payables, respectively. The fair value of derivative financial instruments is calculated on the basis of current market data and recognised valuation methods.

Changes in the fair value of derivative financial instruments that effectively hedge the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the value of the hedged asset or hedged liability. Hedging of future cash flows under agreements are treated as hedging of the fair value of a recognised asset or a recognised liability.

Changes in the part of the fair value of derivative financial instruments effectively hedging future cash flows are recognised in other comprehensive income in the reserve for hedging transactions under equity. On realisation of the hedged transaction, any gains or losses relating to such hedge transactions are transferred from other comprehensive income and recognised in the same item as the hedged item.

Changes in the fair value of derivative financial instruments effectively hedging net investments in foreign subsidiaries or associates are recognised in other comprehensive income in the exchange adjustment reserve under equity.

For derivative financial instruments that do not qualify for hedge accounting, changes in fair value are recognised as interest income or expenses and similar items in the income statement as they occur.

Shareholders' equity

The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised. The exchange adjustment reserve in the consolidated financial statements comprises exchange differences arising on the translation of the financial statements of foreign enterprises from their functional currencies into Danish kroner including exchange differences on financial instruments considered to be a part of the net investment or as hedging of the net investment. The fair value adjustment reserve comprises value adjustments of available-for-sale securities that are not regularly monitored. On realisation, accumulated value adjustments are taken from equity to financial items in the income statement. The purchase and sale sums of treasury shares and dividends thereon are taken directly to retained earnings under equity.

Treasury shares

Proceeds from the sale of treasury shares in Schouw & Co. in connection with the exercise of share options or employee shares are taken directly to equity.

Dividend

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Notes · profit, working capital and cash flows

This section of the annual report contains notes relating to the Group's primary operations, including a breakdown by operating segments.

The following notes are presented in this section:

1. Segment reporting
2. Revenue
3. Costs
4. Other operating income and expenses
5. Inventories
6. Receivables (current)
7. Changes in working capital
8. Trade payables and other payables
9. Adjustment for non-cash transactions

Comments

Revenue
Consolidated revenue was up by DKK 139 million from DKK 11,645 million in 2013 to DKK 11,784 million in 2014. Due to the effect of changes in exchange rates, international sales contributed a net amount of DKK 240 million less to consolidated revenue than last year. Lower exchange rates reduced revenue by about DKK 290 million, while higher exchange rates had a positive effect of DKK 50 million. The lower exchange rate for NOK alone reduced revenue in Norway, the Group's largest single market, by DKK 239 million.

Operating profit (EBIT)
EBIT amounted to DKK 708 million in 2014, against DKK 685 million in 2013. When adjusted for a DKK 54 million gain on the sale of property in 2013, EBIT for 2014 was up by DKK 77 million, an increase of 12%. The DKK 77 million EBIT improvement was mainly made up of a number of opposing factors. BioMar, Fibertex Personal Care, Fibertex Nonwovens and Hydra-Grene contributed improvements of DKK 40 million, DKK 7 million, DKK 25 million and DKK 14 million, respectively, whereas the rest of the portfolio companies combined made a negative contribution of DKK 9 million. Net changes in exchange rates had a negligible negative effect of DKK 4 million on EBIT for the year.

Working capital
Working capital amounted to DKK 1,775 million at December 31, 2014, as compared with DKK 1,424 million at December 31, 2013. The DKK 351 million increase was the result of various factors relating to the individual businesses and to the individual working capital components.

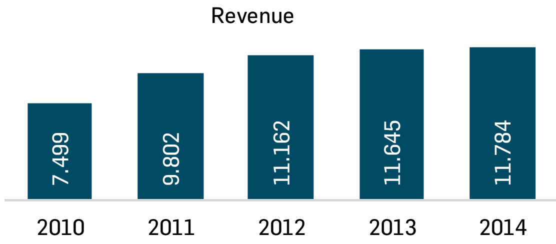
Inventories were up by DKK 296 million from DKK 1,152 million to DKK 1,448 million. Most of the change, DKK 234 million, related to BioMar, of which amount DKK 178 million represents the change in raw material inventories. Combined, the other portfolio companies increased their inventories by DKK 62 million, of which DKK 13 million related to company acquisitions.

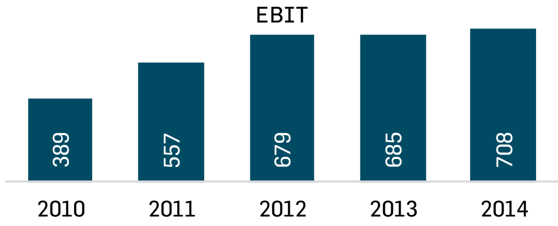
Trade receivables and other receivables increased by DKK 53 million to stand at DKK 2,559 million. DKK 33 million of the increase represented additions on acquisitions. The change for the year covers large differences between the portfolio companies, as BioMar's receivables were reduced by DKK 95 million, whereas Fibertex Personal Care's receivables increased by DKK 105 million. The other businesses recorded a combined increase in receivables of DKK 43 million.

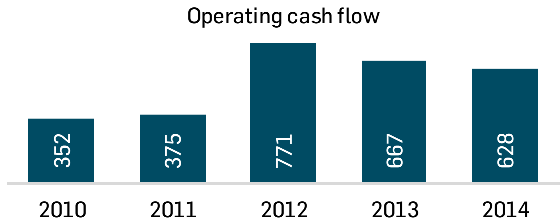
Trade payables and other payables, the final working capital component, amounted to DKK 2,239 million, an increase of only DKK 1 million.

Cash flow statement
Cash flows from operating activities for the year before changes in working capital increased by DKK 123 million to DKK 1,105 million in 2014. Movements in working capital increased by DKK 210 million in 2014, bringing the cash flow from operating activities to DKK 808 million, against DKK 895 million in 2013. Net of interest paid, dividends received from associates and tax, cash flows from operating activities fell by DKK 40 million to DKK 628 million.

The overall net cash flows for investing activities increased by DKK 876 million from an outflow of DKK 522 million in 2013 to an inflow of DKK 355 million in 2014. The large change is due to the sale of securities and a property in 2013 for a total amount of DKK 894 million. Actual investment in 2014 amounted to DKK 413 million, compared with DKK 375 million in 2013. BioMar invested a total of DKK 167 million in 2014. Fibertex Personal Care and Fibertex Nonwovens invested DKK 129 million and DKK 134 million, respectively, of which amounts company acquisitions for both companies amounted to DKK 129 million. The cash flows from operating activities for the year of DKK 628 million plus the







Shown above are five-year pro forma consolidated figures adjusted for the divestments of Martin and Grene.

Notes · profit, working capital and cash flows

DKK 290 million reduction of cash and cash equivalents represent the capital procured for the year of DKK 918 million. The amount was spent on investments of a net amount of DKK 355 million, change in debt financing of DKK 282 million and dividends paid to shareholders of DKK 143 million and net share buy-backs of DKK 138 million.

Accounting policies

Segment reporting
Segment reporting is consistent with the internal management reporting. Schouw is an industrial conglomerate consisting of a number of sub-groups operating in various industries and independently of the other sub-groups. If the profit or loss, assets or revenue of a sub-group represents 10% or more of consolidated profit or loss, assets or revenue, such sub-group is classified as a reporting segment. The reporting segments are presented separately and without aggregation of operating segments.

Included in the reporting segments are revaluations of assets and liabilities made in connection with Schouw & Co.'s acquisition of the segment in question and consolidated goodwill arising as a result of the acquisition. The operational impact of depreciation/amortisation and write-downs on the above revaluations or goodwill is also included in the profit presented for the reporting segment.

Geographical segment information indicates the group's revenue and assets by national market.

Revenue
Revenue from the sale of goods for resale and finished goods is recognised in the income statement if transfer of risk to the buyer has taken place before year-end and if the income can be reliably measured.

Revenue is measured excluding VAT and other taxes and duties charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales
Cost of sales comprises costs defrayed to achieve the year's revenue. The trading companies recognise the cost of goods sold and manufacturing companies recognise production costs corresponding to the year's revenue, including direct and indirect costs for raw materials and consumables, wages and salaries, rent and leasing, amortisation and impairment of intangible assets, depreciation and impairment of production equipment and impairment of inventory. Cost of sales also includes operating costs relating to investment property. Cost of sales also includes research costs and product development costs that do not meet the criteria for capitalisation, as well as amortisation and impairment of capitalised product development costs.

Distribution costs
Distribution costs comprise expenses incurred in connection with the distribution of goods sold during the year and in connection with sales campaigns, etc. launched during the year under review, including cost of sales and logistics staff, advertising and exhibition costs, as well as depreciation/amortisation and impairment.

Administrative expenses
Administrative expenses comprise expenses incurred during the year for management and administration, including expenses for administrative staff, office premises and office expenses, and depreciation and impairment. Administrative expenses also comprise write-downs on receivables.

Employee benefits
Equity-settled share options are measured at fair value at the grant date and their value is recognised in the income statement under staff costs over the vesting period. The balancing item is recognised directly in equity as a shareholder transaction.

On initial recognition of the share options, the number of options expected to vest is estimated. Subsequently, changes in the estimated number of vested options are adjusted to the effect that the total amount recognised is based on the actual number of vested options.

The fair value of options granted is estimated using a valuation model that takes into account the terms and conditions of the options granted.

Other operating income and expenses
Other operating income and expenses comprise items of a secondary nature relative to the companies' activities, including gains and losses on replacement of intangible assets and property, plant and equipment. Gains and losses on the disposal of intangible assets and property, plant and equipment are computed as the difference between the selling price and the carrying amount at the date of disposal.

Government grants include grants and funding of development work and grants for investments, etc. Grants for research and development costs recognised directly in the income statement are included in other operating income.

Investment grants in the form of certain tax-privileged schemes in individual countries are recognised in the balance sheet under receivables and as deferred income under accruals and deferred income. Grants are recognised in the income statement under other operating income as the underlying investments are depreciated. The receivable is reduced as the grant is received and the accruals and deferred income item is reduced as the grant is recognised in the income statement.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The cost of goods for resale, raw materials and consumables comprise the purchase price plus delivery costs. The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct labour and indirect production costs. Indirect costs of production include indirect materials and labour as well as maintenance of and depreciation and impairment of the machines, factory buildings and equipment used in the manufacturing process as well as factory management and administrative expenses. The net realisable value of inventories is calculated as the selling price less costs of conversion and costs incurred to execute the sale and is determined having regard to marketability, obsolescence and expected selling price movements.

Biological inventories are recognised at fair value less estimated selling costs. Gains and losses occurring on the recognition of biological assets at fair value less estimated selling costs are recognised in cost of sales for the year.

Receivables
Receivables are measured at amortised cost. Receivables are written down for anticipated losses. Impairment write-downs on receivables are recognised in the income statement under administrative expenses.

Notes · profit, working capital and cash flows

Prepayments and accrued income
Prepayments and accrued income include expenses paid in respect of subsequent financial years. Deferred income comprises payments received relating to income in subsequent financial years, including investment grants.

Cash flow statement
The cash flow statement shows the cash flows for the year distributed on operating, investing, financing and discontinued activities, net changes for the year in cash as well as cash and cash equivalents at the beginning and end of the year.

The cash effect of acquisitions and divestments is shown separately under cash flows from investing activities. In the cash flow statement, cash flows concerning acquired companies are recognised from the date of acquisition, while cash flows concerning divested companies are recognised until the date of divestment.

Cash flows in currencies other than the functional currency are translated at average exchange rates unless these differ materially from the exchange rate ruling at the transaction day.

Cash flows from operating activities are calculated according to the indirect method as the profit for the year before tax adjusted for non-cash operating items, changes in working capital, interest paid and income taxes paid. Dividends from associates are included in cash flows from operating activities.

Cash flows from investing activities comprise payments made in connection with the acquisition and divestment of companies and operations and the acquisition and disposal of intangible assets, property, plant and equipment as well as the purchase and sale of securities not recognised under cash and cash equivalents.

Cash flows from financing activities include payments to and from shareholders and related expenses as well as the raising of loans, repayments on interest-bearing debt and the purchase and sale of treasury shares.

Cash flows from discontinued activities comprise cash flows from operating, investing and financing activities in the discontinued entity.

Cash and cash equivalents include cash at bank and in hand as well as securities with a maturity of less than three months at the time of acquisition that can immediately be converted into cash and that involve insignificant risk of value fluctuations.

Significant accounting estimates

Inventories
The uncertainty attaching to estimating inventories is related to any write-down to net realisable value. As the Schouw & Co. Group consists of very different companies, the process of estimating net realisable value of inventories varies from company to company.

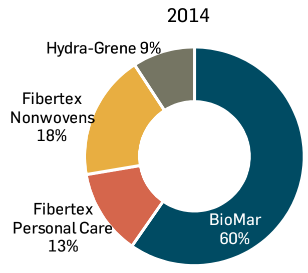
Generally, BioMar's inventories consist of a range of different fish feed products which are only in stock for a few weeks on average. As some of the feed are standard goods that become obsolete after 8-12 months, the Group believes that BioMar's inventories are impaired only to a very limited extent.

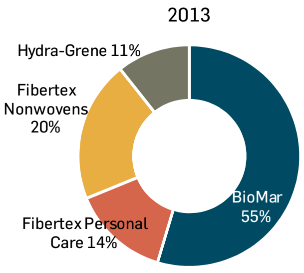
Fibertex Personal Care generally only manufactures to order, and its inventories consist only of nonwoven products that are shipped to customers within the near future. Accordingly, the Group believes that Fibertex Personal Care's inventories are impaired only to a very limited extent.

Fibertex Nonwovens manufactures a number of different nonwoven products, a part of which is manufactured for stock. Fibertex Nonwovens reviews its inventory on a regular basis to identify products with a low turnover rate. Historically, about 4% of inventories have been impaired to a greater or lesser extent. Impaired inventories have on average been written down by 80-85% or their original value.

Primarily being a trading company, Hydra-Grene has the largest inventory of the Schouw & Co. Group's portfolio companies. Currently, Hydra-Grene is estimated to carry about 40,000 different items. Given the relatively large number of items, testing each individual item for impairment is not practically possible. Instead, Hydra-Grene applies a general impairment model of writing down goods after they have been in stock for a certain number of days. Hydra-Grene reviews its impairment model on a regular basis, and in the Group's best estimate, the model provides an appropriate and fair view of the net realisable inventory value. Historically, 20-30% of Hydra-Grene's inventories have had evidence of impairment. Goods impaired have been written down by 80-90% of their value. It is estimated that 27% of Hydra-Grene's current inventories show evidence of impairment. The inventories in question were written down by a total of 80% at the balance sheet date.

Inventories, end of year – by portfolio company:





Debtors
Management applies estimates in the assessment of the likelihood that receivables at the balance sheet date will be received. For the Schouw & Co. Group, the largest risks of losses on trade receivables have historically related to customers of the Group's fish feed manufacturer (BioMar). BioMar sells a significant part of its products in markets in South America (Chile), Norway and in southern and central Europe. Historically, the largest debtor risks have been for customers in Chile and in southern Europe, especially Greece. The Group has substantial receivables with certain customers in these geographical areas. Some of these customers are under reconstruction, a few have gone bankrupt and others for various reasons are in financial difficulty. Thorough analyses have been made of the credit quality of these debtors, especially of those mentioned above, and management believes that adequate and necessary provisions for losses on these debtors have been made.

The other companies are not believed to involve material credit risks.

Notes · profit, working capital and cash flows

1 SEGMENT REPORTING

Total reportable segments 2014	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Continued activities	Grene	Martin	Discontinued activities	Total
External revenue	8,451.3	1,719.6	1,039.7	565.8	11,776.4	0.0	0.0	0.0	11,776.4
Intra-group revenue	0.0	67.9	8.3	0.0	76.2	0.0	0.0	0.0	76.2
Segment revenue	8,451.3	1,787.5	1,048.0	565.8	11,852.6	0.0	0.0	0.0	11,852.6
Depreciation and impairment	139.8	136.3	66.0	17.9	360.0	0.0	0.0	0.0	360.0
EBIT	434.4	171.3	62.2	60.1	728.0	0.0	0.0	0.0	728.0
Segment assets	5,271.4	1,929.9	1,210.5	391.3	8,803.1	0.0	0.0	0.0	8,803.1
Including goodwill	755.3	99.1	116.1	0.0	970.5	0.0	0.0	0.0	970.5
Equity investments in associates and joint ventures	44.0	0.0	10.5	0.0	54.5	0.0	0.0	0.0	54.5
Segment liabilities	2,939.0	1,151.8	793.0	203.6	5,087.4	0.0	0.0	0.0	5,087.4
Working capital	982.6	292.7	318.7	187.1	1,781.1	0.0	0.0	0.0	1,781.1
NIBD	386.2	688.0	521.7	96.1	1,692.0	0.0	0.0	0.0	1,692.0
Cash flows from operating activities	266.3	225.8	82.1	59.5	633.7	0.0	0.0	0.0	633.7
Cash flows from investing activities	-166.5	-129.5	-134.0	-3.5	-433.5	0.0	0.0	0.0	-433.5
Cash flows from financing activities	-60.0	-85.8	80.5	-72.3	-137.6	0.0	0.0	0.0	-137.6
Capital expenditure	106.6	232.1	188.7	5.8	533.2	0.0	0.0	0.0	533.2
Average number of employees	904	447	547	230	2,128	0	0	0	2,128

Total reportable segments 2013	BioMar	Fibertex Personal Care	Fibertex Nonwovens	Hydra-Grene	Continued activities	Grene	Martin	Discontinued activities	Total
External revenue	8,702.0	1,519.3	924.2	479.5	11,625.0	1,168.4	131.2	1,299.6	12,924.6
Intra-group revenue	0.0	34.9	8.5	0.0	43.4	5.0	0.0	5.0	48.4
Segment revenue	8,702.0	1,554.2	932.7	479.5	11,668.4	1,173.4	131.2	1,304.6	12,973.0
Depreciation and impairment	143.8	124.5	64.9	18.2	351.4	24.7	0.0	24.7	376.1
EBIT	394.3	164.0	37.2	46.1	641.6	81.8	5.2	87.0	728.6
Segment assets	4,971.7	1,678.4	1,002.4	403.5	8,056.0	0.0	0.0	0.0	8,056.0
Including goodwill	726.0	72.4	77.6	0.0	876.0	0.0	0.0	0.0	876.0
Equity investments in associates and joint ventures	0.0	0.0	11.9	0.0	11.9	0.0	0.0	0.0	11.9
Segment liabilities	2,776.4	995.6	656.4	236.3	4,664.7	0.0	0.0	0.0	4,664.7
Working capital	740.5	246.8	285.1	172.5	1,444.9	0.0	0.0	0.0	1,444.9
NIBD	353.2	643.6	451.8	126.6	1,575.2	0.0	0.0	0.0	1,575.2
Cash flows from operating activities	372.9	208.3	57.6	63.6	702.4	51.2	23.9	75.1	777.5
Cash flows from investing activities	48.5	-226.0	-35.9	-14.6	-228.0	-23.9	89.6	65.7	-162.3
Cash flows from financing activities	-213.7	12.5	-25.4	-18.4	-245.0	-23.3	-114.2	-137.5	-382.5
Capital expenditure	95.0	226.2	31.7	25.3	378.2	34.8	7.4	42.2	420.4
Average number of employees	885	429	511	215	2,040	895	535	1,430	3,470

Notes · profit, working capital and cash flows

1 SEGMENT REPORTING (CONTINUED)

Based on management control and financial management, Schouw & Co. has identified six reporting segments, which are BioMar, Fibertex Personal Care, Fibertex Nonwovens, Hydra-Grene, Grene and Martin. On December 19, 2012, Schouw & Co. signed an agreement to sell Martin. Accordingly, Martin was classified under discontinued operations in 2013. An agreement was made on August 29, 2013 for a merger of Grene and Kramp. As Schouw & Co. holds a 20% ownership interest in the merged group, Grene was also classified under discontinued operations in 2013.

All inter-segment transactions were made on an arm's length basis.

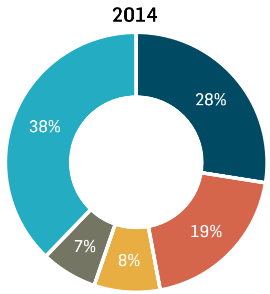
Reconciliation of consolidated revenue, EBIT, assets and liabilities

2014	Group revenue	EBIT	Assets	Liabilities
Reporting segments	11,852.6	728.0	8,803.1	5,087.4
Non-reporting segments	7.6	3.4	209.0	50.5
The parent company	4.5	-23.8	4,737.4	115.5
Group elimination etc.	-80.6	0.0	-3,867.4	-1,445.1
Total	11,784.1	707.6	9,882.1	3,808.3

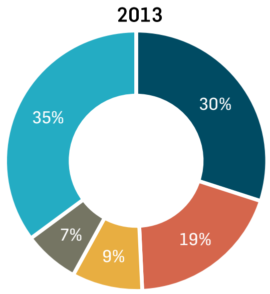
2013	Group revenue	EBIT	Assets	Liabilities
Reporting segments	12,973.0	728.6	8,055.9	4,664.7
Of wich discontinued activites	-1,304.6	-87.0	-	-
Non-reporting segments	5.3	2.5	914.9	60.6
The parent company	18.2	40.5	5,099.9	574.1
Group elimination etc.	-47.0	0.0	-4,374.3	-1,349.0
Total	11,644.9	684.6	9,696.4	3,950.4

The data on revenue by geography are based on customers' geographical location, while data on intangible assets and property, plant and equipment by geography are based on the geographical location of the assets. The specification shows the individual countries that account for more than 5% of the Group in terms of revenue or assets. As Schouw & Co.'s consolidated revenue is generated in some 100 different countries, a very large proportion of the revenue derives from the 'Other' category.

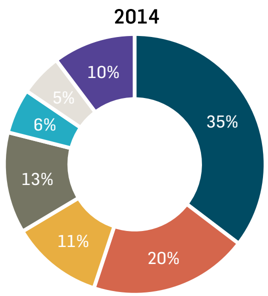
Revenue by country:



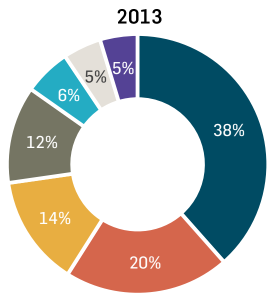
	2014	2013
Norway	3,244	3,494
Chile	2,301	2,242
U.K.	961	1,014
Denmark	819	802
Other	4,459	4,093
Total	11,784	11,645



Intangible and fixed assets by country:



	2014	2013
Denmark	1,348	1,373
Malaysia	750	732
Norway	432	490
Chile	478	431
Czech Republic	212	207
France	200	169
Other	390	166
Total	3,810	3,568



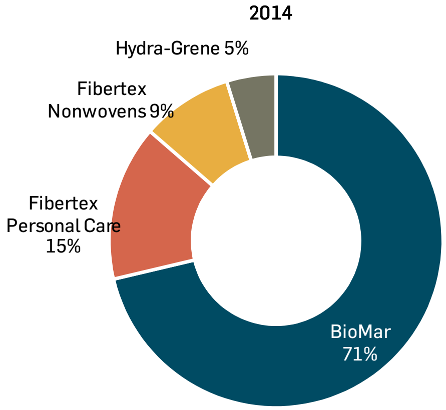
CONSOLIDATED STATEMENT

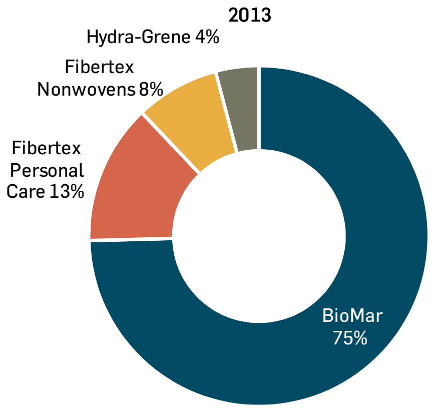
Notes · profit, working capital and cash flows

2 REVENUE

	2014	2013
Sale of goods	11,775.9	11,624.5
Sale of services	0.2	0.8
Rental income	8.0	19.6
Total revenue	11,784.1	11,644.9

Revenue by subsidiary:





3 COSTS

	2014	2013
Cost of sales		
Cost of goods sold	-8,761.0	-8,690.0
Inventory impairments	-11.1	-24.1
Reversed inventory impairments	7.1	13.1
Staff costs		
Remuneration to the Board of Directors of Schouw & Co.	-3.1	-3.1
Wages and salaries	-696.0	-647.9
Defined contribution pension plans	-41.4	-38.6
Other social security costs	-52.0	-48.6
Share-based payment	-4.9	-4.1
Total staff costs	-797.4	-742.3
Including staff costs capitalised and recognised in plant, machinery and development projects	2.0	0.2
Staff costs recognised in the income statement	-795.4	-742.1
Staff costs are recognised as follows:		
Production	-457.5	-423.0
Distribution	-182.5	-175.9
Administration	-155.4	-143.2
Staff costs recognised in the income statement	-795.4	-742.1
Average number of employees	2,139	2,052

Determination of remuneration to the Board of Directors and the Executive Management
Aktieselskabet Schouw & Co. has prepared a remuneration policy describing guidelines for the remuneration to members of the company's Board of Directors and Executive Management. The remuneration to board members consists of a fixed basic fee, which in 2014 amounted to DKK 225,000. Effective from 2015, the basic fee will be raised to DKK 250,000. The remuneration policy is available on the company's website. Remuneration to the Board of Directors includes a fee to the audit committee of DKK 0.4 million (2013: DKK 0.4 million).

Staff costs include salaries and bonuses of DKK 9.8 million (2013: DKK 9.5 million), pension contributions of DKK 0.3 million (2013: DKK 0.2 million) and share-based payment of DKK 1.4 million (2013: DKK 1.3 million) to members of the Executive Management. In addition, members of the Executive Management have company cars at their disposal. Members of the Management Board do not have any unusual employment or contractual terms.

3 COSTS (CONTINUED)

Staff costs for businesses under continuing operations include salaries and bonuses of DKK 13.8 million (2013: DKK 10.2 million), pension contributions of DKK 0.8 million (2013: DKK 0.6 million) and share-based payment of DKK 2.1 million (2013: DKK 1.9 million) to the registered executive managements of directly owned subsidiaries. No severance payments were made to senior employees in 2014 or 2013.

Share-based payment: Share option programme
The company has an incentive programme for the Management and senior managers, including the executive management of subsidiaries. The programme entitles participants to acquire shares in Schouw & Co. at a price based on the officially quoted price at around the time of grant plus a calculated rate of interest (4% p.a.) from the date of grant until the date of exercise.

Outstanding options	Management	Other	Total
Granted in 2010	34,000	8,000	42,000
Granted in 2011	55,000	58,000	113,000
Granted in 2012	55,000	166,000	221,000
Granted in 2013	55,000	164,000	219,000
Outstanding options in total at December 31, 2013	199,000	396,000	595,000
Granted in 2014	55,000	170,000	225,000
Exercised (from the share options granted in 2010)	-34,000	-8,000	-42,000
Exercised (from the share options granted in 2011)	-55,000	-58,000	-113,000
Exercised (from the share options granted in 2012)	-15,000	-126,000	-141,000
Exercised (from the share options granted in 2013)	0	-5,667	-5,667
Cancelled (share options granted in 2013)	0	-2,333	-2,333
Cancelled (share options granted in 2014)	0	-10,000	-10,000
Outstanding options in total at December 31, 2014	150,000	356,000	506,000

Options exercised in 2014:	Exercised from 2010 grant	Exercised from 2011 grant	Exercised from 2012 grant	Exercised from 2013 grant
Exercised number of shares	42,000	113,000	141,000	5,667
Average excercise price in DKK	122.23	142.90	142.79	191.19
Average share price in DKK on exercise	244.50	260.42	260.94	243.00
Group's cash proceeds in DKK million	5.1	16.1	20.1	1.1

The expected volatility is calculated as 12 months' historical volatility based on average prices. If the optionholders have not exercised their share options within the period specified, the share options will lapse without any compensation to the holders. Exercise of the share options is subject to the holders being in continuing employment during the above-mentioned periods. If the share option holder leaves the company's employ before a share option vests, the holder may in some cases have a right to exercise the share options early during a four-week period following Schouw & Co.'s next profit announcement. In the event of early exercise, the number of share options will be reduced proportionately.

The following assumptions were applied in calculating the fair value of outstanding share options at the date of grant:

Presumptions for the fair value:	2014 grant	2013 grant	2012 grant	2011 grant
Expected volatility	26.12%	25.36%	34.48%	33.75%
Expected term	48 mths	48 mths	48 mths	48 mths
Expected dividend per share	DKK 5	DKK 4	DKK 3	DKK 3
Risk-free interest rate	0.65%	0.62%	1.04%	3.00%
Other information regarding the options:				
Strike price in DKK *	297.50	211.63	155.83	151.61
Fair value in DKK per option **	30.87	20.19	24.24	25.8
Fair value in total in DKK millions **	6.9	4.4	5.8	6.2
Can be exercised from	March 2016	March 2015	March 2014	March 2013
Can be exercised to	March 2018	March 2017	March 2016	March 2015

*) On exercise after four years (at the latest possible date)
**) At the date of grant

	2014	2013
Research and development costs		
Research and development costs expensed and development costs incurred are shown below:		
Research and development costs incurred	-69.1	-66.0
Development costs recognised under intangible assets	0.0	0.0
Amortisation and impairment losses on recognised development costs	-7.8	-9.2
Research and development costs for the year recognised in the income statement	-76.9	-75.2
Depreciation/amortisation and impairment		
Amortisation of intangible assets	-16.3	-11.6
Impairment of intangible assets	-4.7	-4.0
Depreciation of property, plant and equipment	-340.2	-338.4
Impairment of property, plant and equipment	-1.5	-30.0
Total depreciation/amortisation and impairment	-362.7	-384.0
Depreciation/amortisation and impairment is recognised in the income statement as follows:		
Production	-320.0	-319.2
Distribution	-10.6	-10.3
Administration	-32.1	-24.5
Profit for the year from discontinued operations	0.0	-30.0
Total depreciation/amortisation and impairment	-362.7	-384.0

Notes · profit, working capital and cash flows

4 OTHER OPERATING INCOME AND EXPENSES

	2014	2013
Gains on the disposal of property, plant and equipment and intangible assets	1.3	54.8
Government grants	8.8	10.2
Other operating income	3.2	0.1
Total other operating income	13.3	65.1
Losses on the disposal of property, plant and equipment and intangible assets	-0.8	-0.7
Other operating expenses	-0.2	0.0
Total other operating expenses	-1.0	-0.7

Fibertex Personal Care recognised a DKK 8.8 million investment grant received in Malaysia as income in 2014 (2013: DKK 10.2 million). The grant is primarily subject to Fibertex Personal Care Malaysia continuing to generate a taxable profit over the coming years, which is considered very likely.

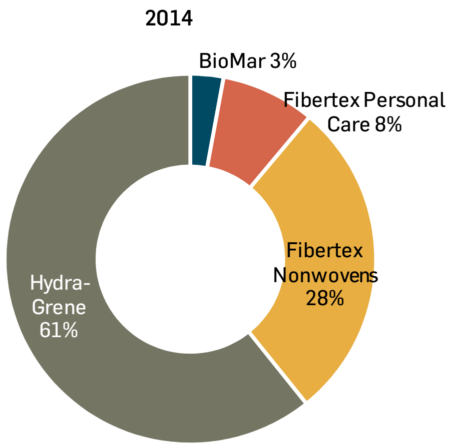
In 2013, the Schouw & Co. Group sold the property at the address Hovmarken 8, Lystrup, which the Group had previously leased to Elopak. The sale produced an accounting gain of DKK 53.9 million, which amount is recognised under gains from the sale of property, plant and equipment and intangible assets.

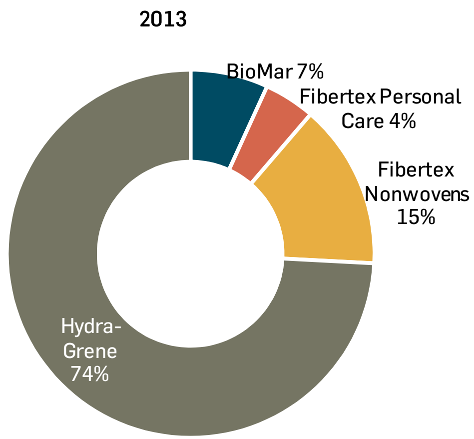
5 INVENTORIES

	2014	2013
Raw materials and consumables	879.2	667.2
Work in progress	1.2	3.0
Finished goods and goods for resale	515.7	481.3
Biological assets (fish)	51.4	0.0
Inventories in total	1,447.5	1,151.5
Cost of inventories for which impairment losses have been recognised	76.9	66.5
Accumulated impairment losses on inventories	-49.3	-47.4
Net sales value	27.6	19.1

BioMar has realised collateral on receivables, resulting in the takeover of fish stocks.

Impairment losses on inventories by portfolio company:





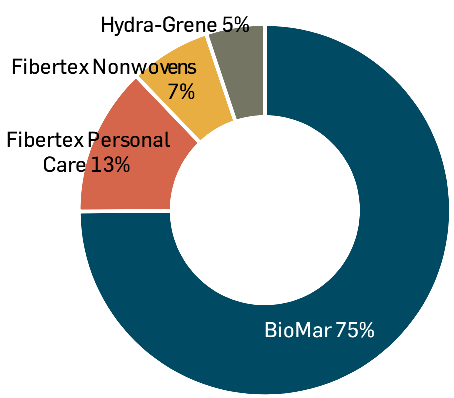
Notes · profit, working capital and cash flows

6 RECEIVABLES - CURRENT

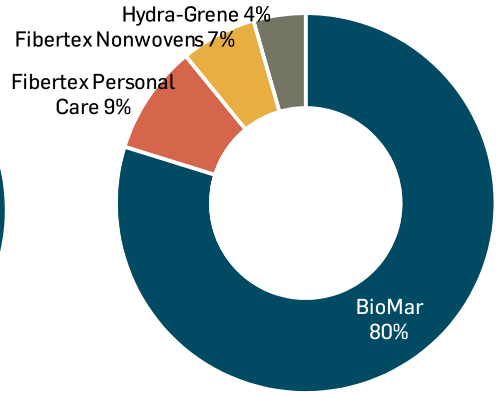
	2014	2013
Trade receivables	2,423.5	2,407.7
Receivables from associates	13.8	150.8
Other current receivables	148.6	112.9
Accruals and deferred income	6.2	3.8
Receivables current	2,592.1	2,675.2

Trade receivables by portfolio company:

2014



2013



2014	Not due	Due between (days) 1-30	31-90	>91	Total
Trade receivables not considered to be impaired	1,888.6	240.5	70.9	19.6	2,219.6
Trade receivables individually assessed to be impaired	66.6	20.9	20.3	278.0	385.8
Trade receivables in total	1,955.2	261.4	91.2	297.6	2,605.4
Impairment losses on trade receivables	-1.4	-0.7	-1.5	-178.3	-181.9
Trade receivables net	1,953.8	260.7	89.7	119.3	2,423.5
Proportion of the total receivables which is expected to be settled					93.0%
Impairment percentage	0.1%	0.3%	1.6%	59.9%	7.0%

2013	Not due	Due between (days) 1-30	31-90	>91	Total
Trade receivables not considered to be impaired	2,036.7	144.1	31.4	15.4	2,227.6
Trade receivables individually assessed to be impaired	63.2	42.5	59.7	217.5	382.9
Trade receivables in total	2,099.9	186.6	91.1	232.9	2,610.5
Impairment losses on trade receivables	-8.8	-5.7	-15.2	-173.1	-202.8
Trade receivables net	2,091.1	180.9	75.9	59.8	2,407.7
Proportion of the total receivables which is expected to be settled					92.2%
Impairment percentage	0.4%	3.1%	16.7%	74.3%	7.8%

	2014	2013
Impairment losses on trade receivables		
Impairment losses at January 1	-202.8	-240.2
Reclassified	0.0	2.0
Exchange adjustments	-2.9	3.8
Reversed impairment losses	57.3	71.7
Impairment losses for the year	-57.8	-98.2
Realised loss	24.3	58.1
Impairment losses at December 31	-181.9	-202.8
Collateral breakdowns as shown below:		
Collateral on receivables not due for payment.	166.7	41.5
Collateral on receivables due for payment which have not been individually impaired.	21.4	22.6
Collateral on receivables due for payment which have been individually impaired.	62.5	65.9

A total of 14.8% (2013: 14.7%) of receivables at the balance sheet date were impaired to a greater or lesser extent. There is a constant focus on follow-up on overdue debtors.

In respect of trade receivables, customers have provided collateral in the amount of DKK 250.6 million (2013: DKK 130.0 million). Most of the DKK 250.6 million collateral provided relates to BioMar. The collateral provided consists mainly of assets such as fish stocks and fish farming equipment.

In 2013, the Group converted a receivable from Trusal (a customer in Chile) into shares in Salmones Austral SpA.

Following a suspension of payments by a Greek fish farming company, the Group has taken fish stocks as security for a receivable. See note 5.

Notes · profit, working capital and cash flows

7 CHANGES IN WORKING CAPITAL

	2014	2013
Change in inventories	-280.3	157.0
Change in receivables	-10.7	-164.8
Change in trade payables and other payables	-5.6	-79.0
Changes in working capital in total	-296.6	-86.8

8 TRADE PAYABLES AND OTHER PAYABLES

	2014	2013
Trade payables	1,867.4	1,861.8
Customer prepayments	3.8	0.5
Other payables	353.1	365.5
Accruals and deferred income	0.7	0.0
Current liabilities	13.6	9.4
Trade payables and other payables in total	2,238.6	2,237.2

Trade payables and other payables largely all fall due within one year.

9 ADJUSTMENT FOR NON-CASH TRANSACTIONS

	2014	2013
Purchase of intangible assets	-12.9	-24.0
Of which not paid at the balance sheet date/adjustment for the year	0.0	0.0
Amount paid in relation to intangible assets	-12.9	-24.0
Purchase of property, plant and equipment	-262.6	-345.7
Of which not paid at the balance sheet date/adjustment for the year	30.1	0.2
Of which assets held under finance leases	0.0	0.0
Amount paid in relation to purchase of property, plant and equipment	-232.5	-345.5
Incurring financial liabilities	63.8	574.3
Of which lease debt	0.0	0.0
Proceeds from incurring financial liabilities	63.8	574.3

Notes · invested capital

This section of the annual report contains notes relating to the Group's invested capital.

The following notes are presented in this section:

10. Intangible assets
11. Property, plant and equipment
12. Receivables (non-current)
13. Investments in associates
14. Operational leases and rent commitments
15. Acquisitions
16. Divestments
17. Impairment test

Comments

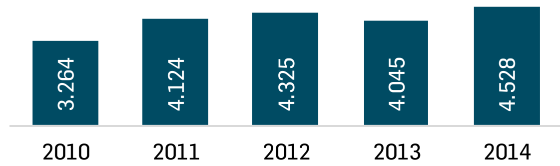
Invested capital

Invested capital expresses both property, plant and equipment and intangible assets and working capital and can be stated both inclusive and exclusive of goodwill. Invested capital exclusive of goodwill increased from DKK 4,045 million to DKK 4,528 million at December 31, 2014. The distribution of invested capital by portfolio company appears from the chart below. The DKK 483 million increase in invested capital derived predominantly from the Group's three largest companies. For BioMar, the increase of DKK 211 million was mainly due to larger inventories. For Fibertex Personal Care, the amount increased by DKK 144 million, mainly relating to the purchase of a plot in Malaysia and the acquisition of Innowo Print. Fibertex Nonwovens increased its invested capital by DKK 118 million in 2014, most of which related to the acquisition of the company Non Woven Solutions.

ROIC

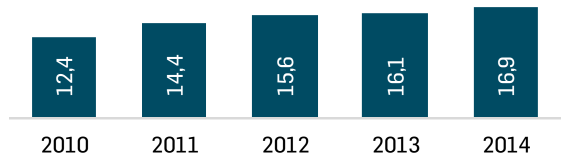
Return on invested capital (ROIC) is measured as Operating profit/loss after amortisation (EBITA) as a percentage of average invested capital. ROIC exclusive of goodwill improved from 16.1% in 2013 to 16.9% in 2014. The improvement is the result of earnings growth combined with slightly lower average invested capital. ROIC inclusive of goodwill based on invested capital inclusive of goodwill is shown in the five-year financial highlights on page 5.

Invested capital ex goodwill - year-end



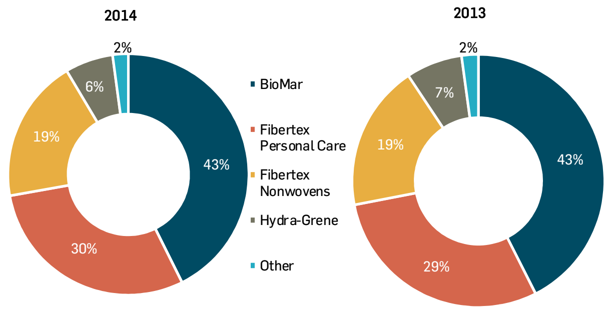
Avg. Invested capital ex goodwill

ROIC ex goodwill



Shown above are five-year pro forma consolidated figures adjusted for the divestments of Martin and Grene.

Invested capital by portfolio company:



Accounting policies

Intangible assets

On initial recognition goodwill is recognised in the balance sheet at cost of acquisition. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised. The carrying amount of goodwill is allocated to the Group's cash-generating units at the date of acquisition. The identification of cash-generating units follows the management structure and internal financial control.

Development costs comprise salaries, amortisation and depreciation and other costs attributable to the company's development activities. Clearly defined development projects are recognised as intangible assets where the technical feasibility of the project, the availability of adequate resources and a potential future market or application opportunity in the company can be demonstrated and where the intention is to manufacture, market or use the project if the cost can be measured reliably and it is probable that the future earnings or the net selling prices can cover production and selling expenses, administrative expenses as well as the development costs. Development projects normally consist of product development and the proprietary development of IT solutions. Other development costs are recognised in the income statement as incurred. Recognised development costs are measured at cost less accumulated amortisation and impairment. On completion of the development work, the development project is amortised on a straight-line basis over the estimated useful life. The usual amortisation period is two to seven years. The basis of amortisation is calculated less any impairment.

Other intangible assets including patents, licenses and rights as well as certain intangible assets acquired in connection with business combinations are measured at cost less accumulated amortisation and impairment. Other intangible assets are amortised on a straight-line basis over their estimated useful lives. The usual amortisation period is three to fifteen years. The basis of amortisation is calculated less any impairment.

Property, plant and equipment

Land and buildings, investment property, plant and machinery, fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Notes · invested capital

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is ready for use. For assets produced in-house, cost comprises direct and indirect costs of materials, components, third-party suppliers and labour. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is divided into separate components that are depreciated separately if such components have different useful lives.

Interest expense of constructing a new asset and incurred during the construction period is recognised in the cost of the asset.

The cost of assets held under finance leases is determined as the lower of the fair value of the assets and the present value of future minimum lease payments. The present value is calculated using the interest rate implicit in the lease as the discount factor, or an approximate value.

Subsequent costs, such as the cost of replacing components of property, plant and equipment, are included in the asset's carrying amount. The replaced components are no longer recognised in the balance sheet, and the carrying amount is transferred to the income statement. All other ordinary repair and maintenance costs are recognised in the income statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful lives of the assets/components, which are expected to be as follows:

Buildings	10-50 years
Plant and machinery	3-15 years
Other fixtures and fittings, tools and equipment	2-8 years
Land is not depreciated	

The basis of depreciation is calculated with due consideration to the asset's scrap value, reduced by any impairment losses. The residual value is determined at the acquisition date and reassessed annually. Where the residual value exceeds the carrying amount, the property ceases to be depreciated.

If the depreciation period or the scrap value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, distribution costs or administrative expenses.

Investments in subsidiaries, joint ventures and associates in the consolidated financial statements

Subsidiaries are fully consolidated and joint operations are pro-rata consolidated.

Joint ventures and associates are recognised in consolidated income statement at the proportionate share of the profit or loss after tax and minority interests and after elimination of the proportionate share of intra-group gains or losses after impairment of goodwill.

Investments in joint ventures and associates are measured in the balance sheet at the proportionate share of the companies' net asset value calculated in accordance with the Group's accounting policies with the deduction or addition of the proportionate share of unrealised intra-group gains and losses and with the addition of the carrying amount of goodwill.

Associates with a negative equity value are recognised at zero.

Receivables from associates are written down to the extent they are deemed to be irrecoverable.

Investments in subsidiaries, joint ventures and associates in the parent company's financial statements

Investments in subsidiaries, joint ventures and associates are measured at cost. Where the recoverable amount is lower than cost, the investments are written down to this lower value.

Leases

For accounting purposes, leases are divided into finance and operating leases. Leases are classified as finance leases when substantially all risks and rewards of ownership of the leased asset are transferred. Other leases are classified as operating leases. The accounting treatment of assets held under a finance lease and the related liability is described in the sections on property, plant and equipment and financial liabilities, respectively. Obligations under operating leases are determined at the balance sheet date as the present value of future cash flows for which the discount effect is material, typically for leases running for more than five years from inception. Operating lease payments are recognised in the income statement on a straight-line basis over the lease term.

Business combinations

Newly acquired or newly established companies are recognised in the consolidated financial statements from the date of acquisition. Comparative figures are not adjusted to reflect acquisitions.

The purchase method is applied on acquisitions if the Parent Company gains control of the company acquired. Assets, liabilities and contingent liabilities in companies acquired are measured at their fair value at the date of acquisition. Intangible assets are recognised if they can be separated or if they arise from a contractual right and the fair value can be reliably measured. Deferred tax on revaluations made is recognised.

Any excess of the consideration paid for the business over the fair value of the acquired assets, liabilities and contingent liabilities is recognised as goodwill under intangible assets. In the event of uncertainty regarding measurement, goodwill may be adjusted until 12 months after the acquisition. Goodwill is not amortised, but is tested for impairment annually. The first impairment test is performed before the end of the year of acquisition. On acquisition, goodwill is transferred to the cash-generating units that will subsequently form the basis for future impairment tests.

On initial recognition, minority interests are either recognised at their fair value or at their pro-rate share of the fair value of the acquired company's identifiable assets, liabilities and contingent liabilities. Accordingly, for the former option, goodwill is recognised relating to minority interests of the acquired business, while for the latter option, goodwill relating to minority interests is not recognised. The measurement of minority interests is determined on a case-by-case basis and disclosed in the presentation of acquired businesses in the notes to the financial statements.

Profit /loss from divestment of equity investments in the consolidated financial statements

Companies divested or wound up are consolidated in the income statement until the date they are divested or wound up. Comparative figures are not adjusted to reflect acquisitions or divestments. Discontinued operations are presented as a separate item.

Notes · invested capital

Any gains or losses on the disposal of subsidiaries, associates or joint ventures are stated as the difference between the sales sum or the proceeds from the winding-up and the carrying amount of net assets, including goodwill, at the date of disposal and expenses for selling or winding-up. On the disposal of subsidiaries, adjustments accumulated in equity through other comprehensive income and which are attributable to the unit are reclassified to the income statement and recognised together with any gains or losses from the disposal.

On the divestment of a company, the profit/loss is recognised under profit/loss from the divestment of equity investments if the company sold does not represent an independent reporting segment or if its revenue, profit/loss or assets represent less than 10% of consolidated revenue, consolidated profit/loss or consolidated assets.

Profit from the sale of other companies is recognised in profit from discontinued operations.

Non-current asset impairment test

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment, initially before the end of the year of acquisition. Development projects in progress are also tested for impairment annually. The carrying amount of goodwill is tested for impairment together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down over the income statement to the lower of the recoverable amount and the carrying amount. The recoverable amount is generally calculated as the present value of the future net cash flows expected to be derived from the business or activity (cash-generating unit) to which the goodwill relates. A write-down is recognised when the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Write-downs are recognised in the income statement as production costs, distribution costs or administrative expenses. However, goodwill write-downs are recognised as a separate item in the income statement. Impairment write-downs of goodwill are not reversed. Impairment of other assets is reversed to the extent changes have occurred to the assumptions and estimates leading to the impairment. Impairment is only reversed to the extent the new carrying amount of an asset does not exceed the carrying amount the asset would have had net of depreciation, had the asset not been impaired.

The carrying amounts of other non-current assets are tested annually to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the fair value of the asset less expected costs to sell and the value in use.

Significant accounting estimates

Impairment test

The estimated useful lives of intangible assets and property, plant and equipment which are depreciated are reviewed regularly. Goodwill is tested annually for impairment, and other intangible assets are tested if there is evidence of impairment.

An assessment is made as to whether the cash-generating unit to which the asset relates will be able to generate sufficient cash flows in future to support the carrying amount of the asset.

Assessments are made of the estimated cash flows for the next many years and of the long-term growth rate and a reasonable discount rate reflecting the risk inherent to the asset or cash-generating unit, all of which is inherently subject to uncertainty.

Acquisitions

Acquisitions are accounted for using the purchase method, according to which the acquired enterprise's identifiable assets, liabilities and contingent liabilities are recognised in the balance sheet at fair value. The principal assets are generally goodwill, property, plant and equipment, intangible assets and inventories and any tax thereon. As there is generally no efficient market for the individual assets, the valuation of the respective assets are generally based on significant accounting estimates.

10 INTANGIBLE ASSETS

2014	Goodwill	Completed development projects	Development projects in progress	Other intangible assets	Total
Cost at January 1, 2014	876.0	45.0	0.1	89.0	1,010.1
Foreign exchange adjustment	30.7	0.0	0.0	6.2	36.9
Addition on internally generated assets	0.0	0.0	0.0	11.1	11.1
Addition through separate acquisition	0.0	1.8	0.0	0.0	1.8
Addition on company acquisition	63.8	0.0	0.0	43.9	107.7
Disposals	0.0	-28.6	0.0	0.0	-28.6
Transferred/reclassified	0.0	0.0	23.0	0.1	23.1
Cost at December 31, 2014	970.5	18.2	23.1	150.3	1,162.1
Amortisation and impairment at January 1, 2014	0.0	-26.9	0.0	-43.5	-70.4
Foreign exchange adjustment	0.0	0.0	0.0	-4.4	-4.4
Impairment	0.0	0.0	-4.7	0.0	-4.7
Amortisation	0.0	-7.8	0.0	-8.5	-16.3
Amortisation and impairment of disposed assets	0.0	28.6	0.0	0.0	28.6
Amortisation and impairment at December 31, 2014	0.0	-6.1	-4.7	-56.4	-67.2
Carrying amount at December 31, 2014	970.5	12.1	18.4	93.9	1,094.9
Depreciated over		2-7 years		3-15 years	

2013	Goodwill	Completed development projects	Development projects in progress	Other intangible assets	Total
Cost at January 1, 2013	901.7	55.7	36.7	96.9	1,091.0
Foreign exchange adjustment	-10.2	-0.5	0.0	-2.1	-12.8
Addition through separate acquisition	0.0	13.6	0.1	10.3	24.0
Addition on company acquisition	0.0	0.0	0.0	1.5	1.5
Disposals	-8.8	-23.8	-36.1	0.0	-68.7
Transferred/reclassified	-6.7	0.0	-0.6	-17.6	-24.9
Cost at December 31, 2013	876.0	45.0	0.1	89.0	1,010.1
Amortisation and impairment at January 1, 2013	-6.7	-30.2	-2.0	-41.0	-79.9
Foreign exchange adjustment	0.0	0.4	0.0	1.7	2.1
Transferred/reclassified	6.7	0.0	0.0	2.2	8.9
Impairment	0.0	-4.0	0.0	0.0	-4.0
Amortisation	0.0	-5.2	0.0	-6.4	-11.6
Amortisation and impairment of disposed assets	0.0	12.1	2.0	0.0	14.1
Amortisation and impairment at December 31, 2013	0.0	-26.9	0.0	-43.5	-70.4
Carrying amount at December 31, 2013	876.0	18.1	0.1	45.5	939.7
Depreciated over		2-7 years		3-15 years	

11 PROPERTY, PLANT AND EQUIPMENT

2014	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2014	1,712.6	3,112.9	260.7	77.0	5,163.2
Foreign exchange adjustment	7.1	42.0	-0.2	-0.6	48.3
Addition	86.5	56.2	13.8	106.1	262.6
Addition on company acquisitions	43.9	76.5	2.3	28.7	151.4
Disposals	-25.6	-5.9	-27.3	-0.6	-59.4
Transferred/reclassified	15.2	35.0	10.9	-79.6	-18.5
Cost at December 31, 2014	1,839.7	3,316.7	260.2	131.0	5,547.6
Amortisation and impairment at January 1, 2014	-544.0	-1,809.7	-180.8	0.0	-2,534.5
Foreign exchange adjustment	6.7	-10.2	1.3	0.0	-2.2
Transferred/reclassified	1.8	-2.6	-3.9	0.0	-4.7
Depreciation and impairment of disposed assets	18.9	5.0	26.6	0.0	50.5
Impairment	0.0	0.0	-1.5	0.0	-1.5
Amortisation	-60.6	-247.3	-32.3	0.0	-340.2
Amortisation and impairment at December 31, 2014	-577.2	-2,064.8	-190.6	0.0	-2,832.6
Carrying amount at December 31, 2014	1,262.5	1,251.9	69.6	131.0	2,715.0
Of which assets held under finance lease	9.8	33.8	0.0	0.0	43.6
Depreciated over	10-50 years	3-15 years	2-8 years		

2013	Land and buildings	Plant and machinery	Other fixtures, tools and equipment	Assets under construction	Total
Cost at January 1, 2013	2,097.8	3,145.1	374.6	178.4	5,795.9
Foreign exchange adjustment	-94.7	-217.4	-9.5	-3.7	-325.3
Addition	66.2	190.9	8.8	79.8	345.7
Addition on company acquisitions	0.1	0.0	7.4	0.0	7.5
Disposals	-399.8	-160.5	-132.8	-17.2	-710.3
Transferred/reclassified	43.0	154.8	12.2	-160.3	49.7
Cost at December 31, 2013	1,712.6	3,112.9	260.7	77.0	5,163.2
Amortisation and impairment at January 1, 2013	-575.5	-1,810.2	-258.9	0.0	-2,644.6
Foreign exchange adjustment	27.6	128.1	4.2	0.0	159.9
Transferred/reclassified	1.4	1.1	1.0	0.0	3.5
Amortisation and impairment of disposed assets	92.9	118.0	104.2	0.0	315.1
Impairment	-30.0	0.0	0.0	0.0	-30.0
Amortisation	-60.4	-246.7	-31.3	0.0	-338.4
Amortisation and impairment at December 31, 2013	-544.0	-1,809.7	-180.8	0.0	-2,534.5
Carrying amount at December 31, 2013	1,168.6	1,303.2	79.9	77.0	2,628.7
Of which assets held under finance lease	10.4	44.8	3.6	0.0	58.8
Depreciated over	10-50 years	3-15 years	2-8 years		

By the end of 2014, the Group had entered into contracts for the purchase of property, plant and equipment for future delivery for an amount of DKK 66.0 million (2013: DKK 44.2 million). Properties with evidence of impairment have been tested for impairment. No properties were written down to their recoverable amount during the financial year (2013: DKK 30.0 million).

12 RECEIVABLES - NON-CURRENT

	2014	2013
Investment grant	127.6	142.6
Other receivables non-current	16.5	11.5
Total receivables non-current	144.1	154.1

All investment grants received related to the Group's activities in Malaysia (Fibertex Personal Care). The amount is expected to be received as a positive taxable income is achieved.

Other non-current assets include interest-bearing receivables of DKK 16.5 million (2013: DKK 7.7 million).

Notes · invested capital

13 INVESTMENTS IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

The Group has the following subsidiaries and joint operations:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
Schouw & Co. Finans A/S	Aarhus, Denmark	100%	100%
Niels Bohrs Vej A/S	Aarhus, Denmark	100%	100%
Saltebakken 29 ApS	Aarhus, Denmark	100%	100%
Alba Ejendomme A/S	Aarhus, Denmark	100%	100%
BioMar Group A/S	Aarhus, Denmark	100%	100%
BioMar A/S	Aarhus, Denmark	100%	100%
Oy BioMar Ab	Vanda, Finland	100%	100%
BioMar AB	Rimbo, Sweden	100%	100%
BioMar OOO	Ropsha, Russia	100%	100%
Dana Feed A/S	Horsens, Denmark	100%	100%
Dana Feed Sp. z o.o.	Koszalin, Poland	100%	100%
Dana Feed Srl	Treviso, Italy	100%	100%
BioMar S.A.S.	Nersac, France	100%	100%
BioMar Srl	Monastier, Italy	100%	100%
BioMar Iberia S.A.	Dueñas, Spain	100%	100%
BioMar Hellenic S.A.	Volos, Greece	100%	100%
BioMar AS	Myre, Norway	100%	100%
BioMar Ltd.	Grangemouth, Scotland	100%	100%
BioMar A/S Chile Holding S.A.	Puerto Montt, Chile	100%	100%
BioMar Chile SA	Puerto Montt, Chile	100%	100%
BioMar Aquacultura Corporation S.A.	Canas, Costa Rica	100%	100%
BioMar Aquacorporation Products S.A. *	Canas, Costa Rica	50%	50%
Alitec Pargua S.A. *	Pargua, Chile	50%	50%
Fibertex Personal Care A/S	Aalborg, Denmark	100%	100%
Fibertex Personal Care Sdn	Nilai, Malaysia	100%	100%
Innowo Print AG	Ilsenburg, Germany	100%	15%
Fibertex Nonwovens A/S	Aalborg, Denmark	100%	100%
Fibertex, a.s.	Svitavy, Czech Republic	100%	100%
Fibertex France S.A.R.L.	Beauchamp, France	100%	100%
Elephant Nonwovens - Nao Tecidos U.P., Lda.	Estoril, Portugal	100%	100%
Fibertex Elephant Espana. S.L.	Sant Cugat del Vallés, Spain	100%	100%
Fibertex Nonwovens S.A.	Chemillé, France	100%	100%
Fibertex Nonwovens LLC	Ingleside IL, USA	100%	-
Hydra-Grene A/S	Skjern, Denmark	100%	100%
Hydra Grene Hydraulics Equipment Accessory Co., Ltd.	Tianjin, China	100%	100%
Hydra Grene Hydraulics India Private Limited	Chennai, India	100%	100%
Hydra-Grene USA Inc.	Chicago, USA	100%	100%
Dansk Afgratningsteknik A/S	Skjern, Denmark	60%	60%

In the above list of group companies, the ownership interest in Innowo Print changed in 2014. In 2013, Innowo Print was recognised under securities, as the ownership interest was only 15%. In October 2014, Fibertex Nonwovens acquired all shares in Non Woven Solutions. Subsequently, Non Woven Solutions was renamed Fibertex Nonwovens LLC.

*In 2014, pro-rata consolidated companies were Alitec Pargua S.A. and BioMar Aquacorporation Products S.A. Both are 50%-owned. Both companies are a joint arrangement in which the Scohuw & Co. Group (BioMar) shares control over the production apparatus of the jointly managed companies with an external business partner. According to IFRS 11, the arrangements are therefore classified as joint operations and pro-rata consolidated.

Pro-rata consolidated companies (joint operations) are recognised in the consolidated financial statement in the following amounts: Current assets DKK 127.9 million (2013: DKK 88.5 million), non-current assets DKK 98.1 million (2013: DKK 85.9 million), current liabilities DKK 210.3 million (2013: DKK 179.4 million), non-current liabilities DKK 23.7 million (2013: DKK 14.1 million), revenue DKK 208.8 million (2013: DKK 243.7 million) and expenses DKK 207.1 million (2013: DKK 242.3 million).

Notes · invested capital

13 INVESTMENTS IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES - CONTINUED

The Group has the following associates:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
Incuba Invest A/S	Aarhus, Denmark	49%	49%
Helgeland Havbruksstasjon AS	Dønna, Norway	34%	34%
Fibertex South Africa Ltd.	Durban, South Africa	26%	26%
Kramp Groep B.V.	Varsseveld, The Netherlands	20%	20%

Helgeland Havbruksstasjon was reclassified from securities to an associate in 2014.

2014	Incuba Invest A/S	Helgeland Havbruksstasjon AS	Fibertex South Africa Ltd.	Kramp Groep B.V.
Revenue	0.0	i.o.	84.0	4,905.5
Profit for the year	-0.3	7.6	-8.6	290.3
Total assets	87.8	43.7	91.2	2,787.0
Liabilities	19.8	27.4	45.2	1,723.9
Recognised in the Schouw & Co. group:				
Share of profit for the year	-0.1	2.6	-1.7	22.4
Share of equity	33.4	5.4	10.5	212.6
Goodwill	0.0	0.0	0.0	299.8
Carrying amount at December 31	33.4	5.4	10.5	512.4

2013	Incuba Invest A/S	Helgeland Havbruksstasjon AS	Fibertex South Africa Ltd.	Kramp Groep B.V.
Revenue	0.0	-	59.2	4,593.7
Profit for the year	2.5	-	-21.4	252.5
Total assets	87.7	-	92.2	2,550.5
Liabilities	18.5	-	38.4	1,320.6
Recognised in the Schouw & Co. group:				
Share of profit for the year	1.2	-	-5.0	-17.5
Share of equity	34.0	-	11.9	280.6
Goodwill	0.0	-	0.0	292.7
Carrying amount at December 31	34.0	-	11.9	573.3

Associates:	2014	2013
Cost at January 1	699.7	100.2
Reclassified	2.8	0.0
Additions	0.0	599.8
Disposals	0.0	-0.3
Cost at December 31	702.5	699.7
Adjustments at January 1	-80.5	-50.1
Foreign exchange adjustments	-7.5	-7.5
Paid out dividend from Kramp	-76.0	0.0
Disposals for the year	0.0	-1.6
Profit after tax in associates	23.2	-21.3
Adjustments at December 31	-140.8	-80.5
Carrying amount at December 31	561.7	619.2

Kramp Groep B.V. is the only associate of the Schouw & Co. group considered to be of significant importance to the Group. The following financial information is available about Kramp Groep B.V.:

	2014	2013
Comprehensive income (pro-forma in 2013)		
Revenue	4,905.5	4,593.7
Profit for the year	290.3	252.5
Other comprehensive income	-33.9	0.0
Total comprehensive income	256.4	252.5
Balance sheet		
Non-current assets	1,000.5	996.4
Current assets	*1,786.5*	1,554.1
Non-current liabilities	63.6	400.1
Current liabilities	1,660.3	920.5
Equity	1,063.1	1,229.9
Received dividends in Schouw & Co.	76.0	0.0

There was a net profit from investments in associates after tax of DKK 23.2 million against a loss of DKK 21.3 million in 2013. Shares of profit in Kramp and Helgeland Havbruksstasjon of DKK 22.4 million and DKK 2.6 million, respectively, made up the bulk of the profit. It should be noted, however, that the recognised share of profit in Kramp for 2014 was reduced by DKK 35.7 million in adjustments that were mainly the result of the purchase price allocation. Other associates, consisting of Fibertex South Africa and Incuba Invest, contributed a combined loss of just under DKK 2 million in 2014.

13 INVESTMENTS IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES - CONTINUED

The Group has the following joint ventures:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
Xergi A/S	Støvring, Denmark	50%	50%
BioMar-Sagun TTK	Istanbul, Turkey	50%	-

The Schouw & Co. group does not have control of individual assets in the above joint ventures, but shares a controlling influence on the operation of the companies and has a right to a proportionate share of the companies' net assets.

2014	Xergi	BioMar-Sagun
Revenue	310.7	0.0
Profit for the year	10.8	-0.3
Total assets	219.0	74.6
Liabilities	169.5	0.1
Recognised in the Schouw & Co. group:		
Share of profit for the year	5.4	-0.1
Share of equity	25.7	37.2
Goodwill	0.0	1.4
Carrying amount at December 31	25.7	38.6

2013	Xergi	BioMar-Sagun
Revenue	204.3	-
Profit for the year	-0.5	-
Total assets	111.4	-
Liabilities	70.8	-
Recognised in the Schouw & Co. group:		
Share of profit for the year	-0.2	-
Share of equity	20.4	-
Goodwill	0.0	-
Carrying amount at December 31	20.4	-

Joint ventures:	2014	2013
Cost at January 1	60.0	0.0
Reclassified	0.0	60.0
Additions	38.6	0.0
Cost at December 31	98.6	60.0
Adjustments at January 1	-39.7	0.0
Reclassified	0.0	-39.4
Foreign exchange adjustments	0.1	0.0
Profit after tax in joint ventures	5.3	-0.2
Adjustments at December 31	-34.3	-39.6
Carrying amount at December 31	64.3	20.4

14 OPERATIONAL LEASES AND RENT COMMITMENTS

2014	Property	Machinery	Ships	Cars	Total
Due for payment within 1 year	17.7	4.8	61.1	3.8	87.4
Due for payment within 1-5 years	26.9	6.9	206.7	4.5	245.0
Due for payment after 5 years	58.5	0.0	136.8	0.0	195.3
Total operational leases and rent commitments	103.1	11.7	404.6	8.3	527.7

2013	Property	Machinery	Ships	Cars	Total
Due for payment within 1 year	15.3	5.4	68.5	4.2	93.4
Due for payment within 1-5 years	20.9	7.5	209.6	3.1	241.1
Due for payment after 5 years	59.5	0.2	182.1	0.0	241.8
Total operational leases and rent commitments	95.7	13.1	460.2	7.3	576.3

BioMar is a party to long-term time charter agreements including ship crews. Only services related to the right to use the vessels (bare boat) are shown in the table above.

An amount of DKK 89.1 million (2013: DKK 80.0 million) relating to operating leases and rent commitments has been recognised in the consolidated income statement for 2014.

Notes · invested capital

15 ACQUISITIONS

	2014	2013
Intangible assets	43.9	1.5
Property, plant and equipment	151.4	7.5
Inventories	13.2	0.0
Receivables	33.4	0.6
Cash and cash equivalents	13.5	2.3
Credit institutions	-113.7	-2.9
Deferred tax	-15.4	-0.7
Trade payables	-17.0	-0.1
Other liabilities	-22.6	-0.3
Net assets acquired	86.7	7.9
Of which minority interests	0.0	-3.2
Current value of original share of equity	-7.8	-1.9
Goodwill	63.8	0.0
Cost	142.7	2.8
Of which cash and cash equivalents	-13.5	-2.3
Cash cost total	129.2	0.5

The Group acquired Non Woven Solutions LLC ("NWS"), a manufacturer of nonwovens based in the USA. The company was acquired by Fibertex Nonwovens on October 24, 2014 for the purpose of strengthening the Group's presence on the North American market and to provide an important platform for future growth and development. NWS operates two production lines, manufacturing materials for a large number of sectors, such as the composites and automotive industries as well as nonwoven products for wound care, filtration, bedding and construction. In connection with the acquisition of NWS, NWS took over the factory site the company previously leased.

NWS was acquired at an enterprise value of USD 25 million. In December 2014, NWS was renamed Fibertex Nonwovens LLC, and the company is recognised in the Schouw & Co. Group consolidated financial statements for the period October 24 to December 31, 2014. The acquisition of NWS involved acquisition costs of DKK 3.4 million.

In connection with the purchase price allocation relating to the acquisition of NWS, goodwill was calculated at DKK 37.1 million.

In addition to the purchase of NWS, the Group acquired control of Innowo Print AG effective October 30. 2014. For a number of years, Fibertex Personal Care had held a 15% ownership interest in Innowo Print, but on October 30, 2014, the company agreed with the other shareholders to acquire the remaining 85% of the shares, making Innowo Print a wholly owned subsidiary.

Based in Ilsenburg, Germany, Innowo Print is the European leader in direct printing on nonwoven fabrics. The company sells its products to the same type of customers in the personal care industry as Fibertex Personal Care.

Innowo Print was acquired at an enterprise value (100%) of DKK 100 million and is recognised in the Schouw & Co.consolidated financial statements from October 30 to December 31, 2014. The acquisition of Innowo Print involved acquisition costs of DKK 0.7 million.

In connection with the purchase price allocation relating to the acquisition of Innowo Print, goodwill was calculated at DKK 26.7 million. In connection with the acquisition of Innowo Print, the previous ownership interest (15%) was adjusted to fair value. Until the remaining 85% of the shares were acquired, the ownership interest in Innowo Print was recognised under securities in the Schouw & Co. consolidated financial statements. The shares in Innowo Print were recognised at DKK 0.5 million, but following the transaction, the fair value of the minority interest amounted to DKK 7.8 million. The DKK 7.3 million value adjustment has been recognised under financial income.

Consolidated revenue and net profit for 2014 made up on a pro forma basis as if NWS and Innowo Print were acquired on January 1, 2014 would have been DKK 11,921 million and DKK 435 million respectively.

In 2013, the Group gained control of Dansk Afgratningsteknik A/S, which was previously recognised as an associate, because Hydra-Grene acquired a further 30% of the shares in the company to the effect that the Group now has a 60% interest in Dansk Afgratningsteknik A/S.

Notes · invested capital

16 DIVESTMENTS

The Group made no divestments in 2014.

In 2013, the Group divested the subsidiary Martin Professional and surrendered control of the subsidiary Grene.

	2014	2013
Carrying amount at the time of divestment of:		
Intangible assets	0.0	196.6
Property, plant and equipment	0.0	469.7
Financial assets	0.0	21.9
Inventories	0.0	710.7
Receivables	0.0	394.3
Tax asset	0.0	22.1
Cash and cash equivalents	0.0	31.3
Credit institutions	0.0	-797.8
Deferred tax	0.0	-25.5
Provisions	0.0	-16.3
Trade payables	0.0	-161.9
Other liabilities	0.0	-197.1
Net assets sold	0.0	648.0
Gain / loss from divestment of equity investments before cost of sale	0.0	458.7
Selling price	0.0	1,106.7
Cost of selling	0.0	-1.9
Exchange of shares in Grene with shares in Kramp	0.0	-595.0
Of which cash and cash equivalents	0.0	-31.3
Cash selling price	0.0	478.5

CONSOLIDATED STATEMENT

17 IMPAIRMENT TEST

Goodwill
The management of Schouw & Co. has tested the value in use of the carrying amounts against goodwill in group companies. In the test performed, the senior management of each company indicated the expected free cash flows for a five-year budget period (2015-19). The free cash flow after tax has been applied to a discounted cash flow model (the "value in use" principle) for the purpose of estimating each company's value and goodwill, which amount was subsequently compared with the carrying amount recognised in the Schouw & Co. consolidated financial statements.

Schouw & Co. recognised goodwill of DKK 970.5 million at December 31, 2014. This was an increase of DKK 94.5 million relative to December 31, 2013, which breaks down as follows: an addition of DKK 37.1 million from the acquisition of Non Woven Solutions, an addition of DKK 26.7 million from the acquisition of Innowo Print and a foreign exchange adjustment of DKK 30.7 million.

The required rate of return is based on WACC consisting of a 10-year unit bond plus an industry/geography-specific risk premium. The rate of growth used to extrapolate company cash flows was fixed at 2%, a rate not expected to exceed the long-term inflation rate.

At 78%, the goodwilll in BioMar makes up most of the consolidated goodwill. BioMar operates in an expanding industry that is driven by global population growth and rising standards of living. According to a 2012 report by Norwegian research institute SINTEF, Scandinavia's largest independent research organisation, demand for salmon feed in Norway will grow at an average rate of 5.6% annually in the period 2010-2030. Due to rising demand, similar average growth rates are expected to apply in the rest of the world, although actual growth rates will vary by species. Volume growth of 4.8% is assumed for BioMar in the budget period; in other words, less than the projected long-term market growth. The assumed production capacity for the budget period may cover the expected increase in business activity, and no productivity enhancements or cost savings have been assumed for the period. BioMar's feed products are mainly based on marine and vegetable raw materials, for which price fluctuations can largely be passed on to selling prices. An EBIT margin of 4-6% may be achieved in a competitive market. Due to the correlation between prices of raw materials and selling prices, uncertainty mainly prevails at EBIT level, for which reason EBIT, which is the main earnings parameter in the industry, has been selected as sensitivity parameter.

Sensitivity analyses and company-specific assumptions:

		Test assumptions				Sensitivity analysis	
	Carrying amount of goodwill	Growth in revenue	EBIT per cent	WACC after tax	WACC before tax	EBIT permitted drop	WACC permitted increase
BioMar	755.3.	4.8%	4.6%	8.1%	8.4%	41%	4.6pp
Fibertex Personal Care	99.1.	3.2%	9.1%	8.0%	8.4%	37%	3.8pp
Fibertex Nonwovens	116.1.	6.3%	7.9%	7.4%	7.6%	28%	2.1pp

The impairment test made at December 31, 2014 did not result in a write-down of carrying amounts. Sensitivity analysis were performed as part of the test to determine if reduced cash flows or a higher WACC would produce evidence of impairment. The sensitivity analysis showed that likely changes in basic assumptions would not result in a recoverable amount of less than the carrying amount of goodwill.

Development projects
Schouw & Co. recognised development projects of DKK 30.5 million at December 31, 2014. An impairment test was performed in 2014 on the carrying amount of completed development projects and on development projects in progress. The impairment test resulted in write-downs of DKK 4.7 million (2013: DKK 4.0 million) charged to the income statement. Estimated recoverable amounts are based on calculations determined through the application of projected cash flows on the basis of expectations for 2015-2019.

Other intangible assets
Schouw & Co. recognised other intangible assets of DKK 93.9 million at December 31, 2014. The amount related primarily to customer rights and know-how taken over in company acquisitions and identified through purchase price allocation. In 2013 and 2014, management did not identify factors indicating that other intangible assets may be impaired.

Property, plant and equipment
The Group identified only minor assets with indication of impairment in 2014, and impairment write-downs on property, plant and equipment amounted to DKK 1.5 million in 2014. Properties with indication of impairment were tested in 2013, resulting in write-downs amounting to DKK 30.0 million.

Investments in associates and joint ventures
In 2013 and 2014, management did not identify factors indicating that investments in joint ventures and associates may be impaired.

Other non-current assets
Other non-current assets consist primarily of a 13.6% shareholding in Salmones Austral SpA. Management has tested Salmones Austral for impairment, because the company's 2014 earnings failed to meet expectations. However, management concluded that the value was not impaired, because the long-term earnings is believed to be intact.

There were no indications of impairment in other non-current assets.

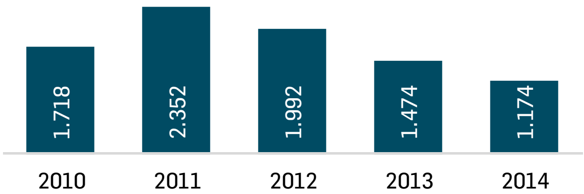
Notes · capital structure

This section of the annual report contains notes relating to the Group's capital structure.

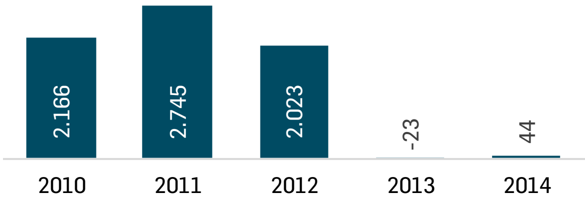
The following notes are presented in this section:

18. Financial income
19. Financial expenses
20. Interest-bearing debt
21. Share capital

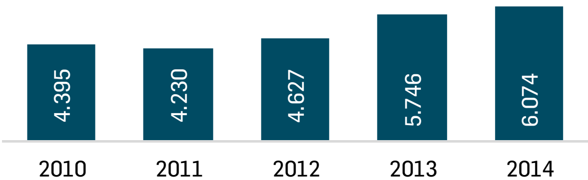
Interest-bearing debt



Net interest-bearing debt



Equity



Shown above are five-year pro forma consolidated figures adjusted for the divestments of Martin and Grene.

Comments

Financial income

The Group's financial income fell by DKK 475 million from DKK 527 million in 2013 to DKK 52 million in 2014. The main reason for the change was the gain of DKK 499 million from the sale of shares in Vestas and Lerøy recognised in 2013. Exchange gains were DKK 16 million higher in 2014, and in addition fair value adjustments of DKK 7 million relating to the Group's investment in Innowo Print were recognised in 2014.

Financial expenses

The Group's financial expenses increased by DKK 5 million to DKK 87 million in 2014. Foreign exchange losses were DKK 12 million higher in 2014, whereas interest expenses were DKK 6 million lower, mainly due to the Group's slightly lower net interest-bearing debt in 2014. The average effective rate of interest was 4.2% in both 2013 and 2014.

Liabilities

Interest bearing debt was DKK 1,174 million, representing a year-on-year reduction of DKK 300 million resulting from the Group repaying long-term debt and to a wide extent reducing overdraft facilities using intra-group cash funds. Most of the Group's debt is still in Danish kroner or in euro, these currencies representing 72% of total debt in 2014 (2013: 70%). In addition, some 21% of the Group's debt at December 31, 2014, was in MYR. The group has converted most of its interest-bearing debt to fixed rates through interest rate swaps and, as a result, the Group is currently not particularly sensitive to changes in interest rates.

Net interest-bearing debt

The net interest-bearing debt increased from a DKK 23 million net deposit at the end of 2013 to a DKK 44 million net interest-bearing debt. The Group has historically low net interest-bearing debt following the merger of Grene and Kramp and the divestment of Martin in 2013, which produced sales proceeds and also had the effect that part of the interest-bearing debt was no longer consolidated.

Treasury shares

The share capital was unchanged at 25,500,000 shares of DKK 10 each.

At December 31, 2013, Schouw & Co. held 1,621,113 treasury shares, corresponding to 6.36% of the share capital. A further 690,487 treasury shares were acquired in 2014, whereas 301,667 treasury shares were sold for use in the Group's share option programme. Accordingly, Schouw & Co. held 2,009,933 treasury shares at December 31, 2014, corresponding to 7.88% of the share capital. The portfolio of treasury shares is recognised at DKK 0.

Accounting policies

Financial income and expenses

Financial income and expenses include interest and capital gains and losses on transactions in foreign currency and impairment losses on securities. Also included are amortisation of financial assets and liabilities, finance lease obligations, surcharges and refunds under the on-account tax scheme and changes in fair values of derivative financial instruments that do not qualify as hedge accounting. Financial expenses relating to the construction of non-current assets are recognised as part of the cost of the asset.

Financial liabilities

Debt to credit institutions is recognised at the raising of a loan at fair value less transaction costs incurred. In subsequent periods, financial liabilities are measured at amortised cost, applying the "effective interest rate method", to the effect that the difference between the proceeds and the nominal value is recognised in the income statement under financial expenses over the term of the loan. In addition, the capitalised residual lease liability under finance leases is recognised under financial liabilities.

Significant accounting estimates

No significant accounting estimates were made in the calculation of financial liabilities.

Notes · capital structure

18 FINANCIAL INCOME

	2014	2013
Interests from financial assets measured	25.6	24.5
Currency transaction adjustments	19.0	3.5
Fair value adj. of financial assets measured through profit or loss	7.3	499.0
Total	51.9	527.0

The gain of DKK 499.0 million recognised in 2013 related to gains from the sale of shares in Vestas and Lerøy.

19 FINANCIAL EXPENSES

	2014	2013
Interests from financial liabilities	-57.2	-61.0
Fair value adj. of hedging transactions transferred from equity	-8.0	-11.1
Currency transaction adjustments	-20.6	-8.8
Fair value adj. of financial assets measured through profit or loss	-0.9	-0.4
Total	-86.7	-81.3

No borrowing costs were capitalised in 2014. Borrowing costs of DKK 2.8 million were capitalised in 2013 based on an average rate of interest of 4.4% p.a.

20 INTEREST-BEARING DEBT

Interest-bearing debt is recognised in the balance sheet as follows:

	2014	2013
Credit institutions (non-current)	606.9	740.1
Mortgage debt (non-current)	248.0	274.3
Lease debt (non-current)	3.5	13.1
Other liabilities (non-current)	0.0	7.6
Recognised under non-current debt to credit institutions, total	858.4	1,035.1
Current portion of non-current liabilities	238.1	200.2
Credit institutions (current)	77.6	238.3
Interest-bearing debt in total	1,174.1	1,473.6
Fair value of the interest bearing debt	1,175.4	1,473.9

Maturity profile of interest-bearing debt:

	2014	2013
Payment		
Overdraft facilities without planned repayment	77.6	238.3
Less than 1 year	262.7	237.5
1-5 years	737.0	915.3
More than 5 years	166.7	196.2
Total	1,244.0	1,587.3
Rate of interest		
Overdraft facilities without planned repayment	0.0	0.0
Less than 1 year	24.6	37.3
1-5 years	38.1	64.7
More than 5 years	7.2	11.7
Total	69.9	113.7
Carrying amount		
Overdraft facilities without planned repayment	77.6	238.3
Less than 1 year	238.1	200.2
1-5 years	698.9	850.6
More than 5 years	159.5	184.5
Total	1,174.1	1,473.6

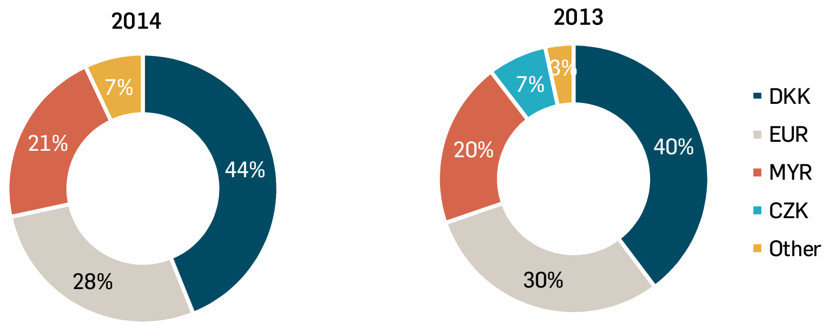
Spot rate used for floating rate loans in the table above.

Notes · capital structure

20 INTEREST-BEARING DEBT (CONTINUED)

	2014	2013
Weighted average effective rate of interest of the year was (%)	4.2	4.2
Weighted average effective rate of interest on the balance sheet date was (%)	3.1	3.2

Percentage breakdown of interest-bearing debt by currency:



Breakdown of assets under finance leases are included in debt to credit institutions as follows:

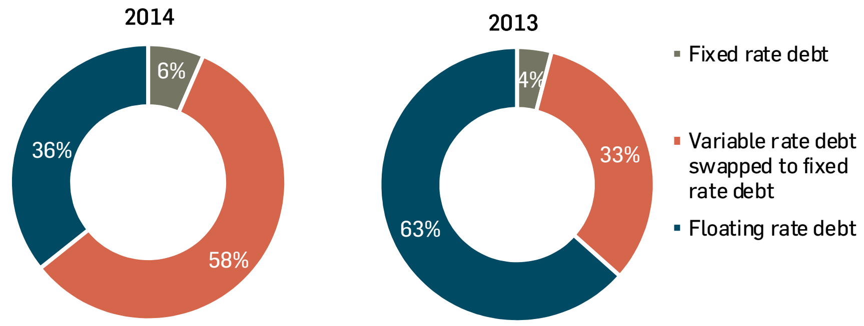
	2014	2013
Lease payment		
Expire in less than 1 year	10.4	13.0
Expire in 1-5 years	3.6	13.4
Expire in more than 5 years	0.0	0.0
Total	14.0	26.4
Rate of interest		
Expire in less than 1 year	0.3	0.7
Expire in 1-5 years	0.1	0.3
Expire in more than 5 years	0.0	0.0
Total	0.4	1.0
Carrying amount		
Expire in less than 1 year	10.1	12.3
Expire in 1-5 years	3.5	13.1
Expire in more than 5 years	0.0	0.0
Total	13.6	25.4

The fair value of liabilities relating to assets held under finance leases largely corresponds to the carrying amount.

The fair value is an estimate of the present value of future cash flows applying a market rate for similar leases.

Interest rate risk
The Group hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging normally consists of interest rate swaps and rate caps. All interest rate swaps and rate caps are used to hedge underlying loans/credit facilities.

Interest profile of interest-bearing debt:



Fixed rate debt includes loans, for which the rate of interest will not be reset within the next year.

	2014	2013
Hedging expires in:		
Less than 1 year	0.0	162.1
1-5 years	449.5	30.7
More than 5 years	228.4	286.3
Total	677.9	479.1

An increase in interest rates of 1 percentage point would cause the annual interest expense to increase by about DKK 3 million after tax (2013: DKK 7 million).

Notes · capital structure

21 SHARE CAPITAL

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid up.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
January 1, 2013	1,938,363	19,383,630	239.2	7.60%
Share option programme	-317,250	-3,172,500	-33.2	-1.24%
December 31, 2013	1,621,113	16,211,130	206.0	6.36%
Share option programme	-301,667	-3,016,670	-36.5	-1.18%
Additions	690,487	6,904,870	180.2	2.71%
December 31, 2014	2,009,933	20,099,330	349.7	7.88%

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20.0% of the share capital. The authorisation is valid until April 1, 2017.

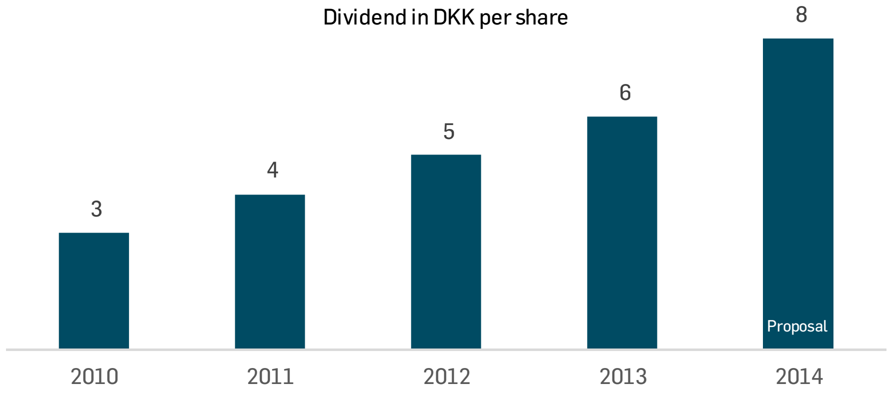
The company acquires treasury shares for allocation to the Group's share option programmes.

A total of 301,667 shares held in treasury were used in connection with options exercised in 2014. The shares had an aggregate fair value of DKK 77.9 million at the time of exercise.

The Group's holding of treasury shares had a market value of DKK 582.9 million at December 31, 2014 (2013: DKK 360.7 million).

The share capital has been unchanged for the recent five years.

Dividend
A dividend of DKK 8 per share is proposed in respect of the 2014 financial year for a dividend amount of DKK 204.0 million. On April 16, 2014, the Group paid a dividend of DKK 6 per share in respect of the 2013 financial year for a dividend amount of DKK 153.0 million.



CONSOLIDATED STATEMENT

Other notes to the consolidated financial statements

This section of the annual report contains other mandatory notes that do not fall within the scope of the other sections of the report.

The following notes are presented in this section:

22. Pensions, provisions and other payables
23. Securities
24. Contingent liabilities and guarantees
25. Financial risk
26. Categories of financial assets and liabilities
27. Fair value of categories of financial assets and liabilities
28. Discontinued assets and assets held for sale
29. Tax on profit/loss for the year
30. Deferred tax
31. Income tax
32. Fees to auditors appointed by the general meeting
33. Earnings per share (DKK)
34. Related party transactions
35. Events after the balance sheet date
36. New financial reporting regulations

Comments

Income tax

Schouw & Co. incurred a profit before tax for the year of DKK 701 million. Tax on the profit for the year was an expense of DKK 274 million, for an effective tax rate of 39.0%. The effective tax rate in 2014 is higher than usual due to below mentioned situation in BioMar in Chile.

To date, BioMar's subsidiary in Chile has been subject to corporate income tax for a total of 35% paid in two steps, with the first payment (of 17–20%) being paid in the tax year and the rest only being paid on the distribution of dividends. A tax reform was passed in Chile at the end of the third quarter 2014. As a result, BioMar has decided to distribute a large dividend from its Chilean subsidiary. A tax expense of DKK 116 million has been recognised in the 2014 financial statements and the amount is expected to be paid in 2015.

Securities

The Group's holding of securities grew by DKK 16 million to DKK 115 million at December 31, 2014. The 13.6% ownership interest in Chilean fish farming company Salmones Austral SpA represents DKK 113 million of this amount.

At December 31, 2013, Salmones Austral SpA was recognised at DKK 90 million. The change for the year of DKK 23 million consisted of a DKK 10 million cash contribution and foreign exchange adjustments of DKK 13 million.

Accounting policies

Pension obligations

The Group has set up pension plans and similar arrangements with the majority of the Group's employees.

Liabilities relating to defined contribution plans are recognised in the income statement in the period in which the benefits vest, and payments due are recognised in the balance sheet under other payables.

For defined benefit plans, annual actuarial calculations are made of the net present value of future benefits to be paid under the plan. The net present value is calculated based on assumptions of the future developments of salary, interest, inflation and mortality rates, among other things. The net present value is calculated only for those benefits earned by the employees through their employment with the Group to date. The actuarial calculation of the net present value less the fair value of any plan assets is recognised in the balance sheet as pension obligations. See below.

Current service cost is recognised in the income statement based on actuarial estimates and financial forecasts at the beginning of the year. Differences between the expected development of pension assets, liabilities and the realised values are termed actuarial gains and losses and are recognised in other comprehensive income.

If changes occur in benefits payable regarding the employees' service in the company to date, a change in the actuarial net present value arises. This is termed past service cost. Past service cost is recognised immediately if the employees' right to the changed benefit has already vested. If not, it is recognised in the income statement over the period during which the employees' right to the changed benefits vests.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the Group has a legal or constructive obligation, the settlement of which is likely to result in an outflow from the Group of economic benefits.

In the measurement of provisions, the expenditure required to settle the obligation is discounted. Changes in present values during the year are recognised as financial expenses.

Warranty commitments are recognised as the sale of goods and services is effected, based on incurred warranty costs from prior financial years.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced to the parties affected by such plan on or before the balance sheet date. On acquisition of enterprises, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

A provision for onerous contracts is recognised when the unavoidable costs under a contract exceed the expected benefits to the Group from the contract.

Other liabilities

Other liabilities are measured at net realisable value.

Securities

Security holdings which do not enable the company to exercise control or a significant influence, and other securities are measured at fair value. Value adjustments of listed securities for which changes in fair value are regularly monitored, are recognised under financial items in the income statement when they occur. Unlisted securities for which the fair value is not regularly monitored are classified as available for sale. Securities are measured at fair value and value adjustments are taken to other comprehensive income. On realisation, accumulated value adjustments are taken from other comprehensive income to financial items in the income statement.

Other notes to the consolidated financial statements

Discontinued activities
Discontinued operations comprise activities that form an independent reporting segment, or whose revenue, profit/loss or assets represent more than 10% of consolidated revenue, consolidated profit/loss or consolidated assets and where the entity has either been divested or separated out as held for sale and such sale pursuant to a formal plan is expected to take place within 12 months. Discontinued operations also comprise entities which in relation to an acquisition have been classified as “held for sale”.

Profit on discontinued operations after tax and value adjustments of related assets and liabilities after tax and gains/losses from a sale are reported under a separate line item with comparable figures in the income statement with restatement of comparative figures. Detailed information on revenue, operating profit, assets, liabilities and cash flows from operating, investing and financing activities in the discontinued entity is provided in the notes to the financial statements.

Assets and liabilities held for sale
Assets held for sale comprise non-current assets and disposal groups held for sale. A disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction. Liabilities regarding assets held for sale are liabilities directly associated with those assets that will be transferred in the transaction. Assets are classified as “held for sale” if their carrying amount will be recovered principally through a sale transaction within 12 months in accordance with a formal plan rather than through continuing use.

Assets or disposal groups held for sale are measured at the lower of the carrying amount at the date when the assets were classified as held for sale and fair value less costs to sell. Assets are not depreciated or amortised as from the date they are classified as “held for sale”.

Assets and related liabilities are recognised separately in the balance sheet, and the main items are specified in the notes to the financial statements. Comparative figures in the balance sheet are not restated.

Taxation
Schouw & Co. is taxed jointly with all its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income. Companies that use tax losses in other companies pay a joint tax contribution to the parent company at an amount corresponding to the tax value of the tax losses used. Companies whose tax losses are used by other companies receive joint tax contributions from the parent company corresponding to the tax value of the losses used (full absorption). The jointly taxed companies pay tax under the Danish on-account tax scheme.

Tax for the year, consisting of the year’s current tax and movements in deferred tax, is recognised in the income statement as regards the amount that can be attributed to the profit or loss for the year and posted in other comprehensive income as regards the amount that can be attributed to movements taken directly to equity.
In certain countries, the distribution of dividends is liable to taxation. Tax on dividends is provided only to the extent a resolution to distribute dividends has been made or to the extent the company has a dividend distribution policy.

To the extent the Schouw & Co. Group benefits from a deduction in the determination of taxable income in Denmark due to share-based incentive programmes, the tax effect of such programmes is included in income tax. Any tax deduction exceeding the accounting cost is recognised directly in equity.

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on prior years’ taxable income and for tax paid under the on-account tax scheme.

Deferred tax is calculated in accordance with the balance sheet liability method on all timing differences between the accounting and tax value of assets and liabilities. However, no deferred tax is recognised on timing differences regarding non-deductible goodwill and other items for which timing differences have arisen at the acquisition date without affecting the financial results or taxable income.

Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax adjustments are made regarding eliminations of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and rates in the respective countries that will apply under the legislation in force on the balance sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the income statement.

Deferred tax assets are reviewed annually and recognised only to the extent that it is probable that they will be utilised.

Significant accounting estimates

Pension obligations
In calculating the present value of pension obligations, a number of estimates have been made on the basis of remaining life, price trends and a discount rate. As a result, the actual obligation may prove different than estimated.

Deferred tax assets
The calculation of deferred tax assets is based on estimates of the extent to which prior-year losses can be utilised against future earnings and of the timing for such use, because the corporate tax rate in Denmark is being scaled back from 2013 to 2016, resulting in different tax rates depending on such timing. For Danish companies, tax assets have been capitalised at a tax rate of from 22% to 23.5% at the time a loss has been utilised. Minor adjustments of deferred tax assets were made in 2014, because losses were used a little sooner than otherwise anticipated.

Other notes to the consolidated financial statements

22 PENSIONS, PROVISIONS AND OTHER PAYABLES

	2014	2013
Pensions	21.4	22.4
Provisions	5.4	5.4
Other payables	6.0	4.7
Accruals and deferred income	80.3	65.7
Pensions, provisions and other payables in total	113.1	98.2

It is group policy to fund all pension liabilities and predominantly to avoid defined benefit plans. The acquisition of the majority holding in BioMar Holding A/S at December 31, 2005 included defined benefit pension obligations.

Those pension obligations were calculated at DKK 21.4 million at December 31, 2014. The entire amount relates to Schouw & Co.'s liability to insure the entitlements to receive supplementary pensions in accordance with the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transferred to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final coverage of this liability may impact future financial results in a positive or a negative direction. The pension obligation has changed, involving payments of DKK 1.0 million in 2014 (2013: DKK 0.8 million).

Provisions made comprise warranty commitments, etc. For certain products, the Group has a contractual commitment to provide warranties of from 12 to 24 months. Under these warranties, the Group undertakes to replace or repair goods that do not function satisfactorily. The statement of expected expiry dates is based on previous experience of when claims for repair are typically received or goods are returned.

Deferred income mainly consists of investment grants.

23 SECURITIES

Non current assets	2014	2013
Securities measured at fair value		
Cost at January 1	100.9	347.6
Reclassified	-2.8	87.2
Foreign exchange adjustment	12.4	-6.0
Additions	10.0	1.5
Disposals	-4.2	-329.4
Cost at December 31	116.3	100.9
Adjustments at January 1	-1.4	-192.7
Reclassified	0.0	0.4
Foreign exchange adjustment	0.1	0.4
Disposals on divestment	0.0	-293.6
Adjustments recognised in the income statement	0.0	484.1
Adjustments at December 31	-1.3	-1.4
Carrying amount at December 31	115.0	99.5

Current assets	2014	2013
Securities measured at fair value		
Cost at January 1	6.8	170.0
Foreign exchange adjustment	0.0	-2.1
Disposals	0.0	-161.1
Cost at December 31	6.8	6.8
Adjustments at January 1	-6.7	-37.8
Foreign exchange adjustment	0.0	0.4
Disposals on divestment	0.0	16.2
Adjustments recognised in the income statement	0.0	14.5
Adjustments at December 31	-6.7	-6.7
Carrying amount at December 31	0.1	0.1

Securities are classified as "available for sale".
Long-term securities consist primarily of a 13.58% shareholding in Salmones Austral SpA.

Other notes to the consolidated financial statements

24 PLEDGES AND GUARANTEES

Contingent liabilities
The Schouw & Co. Group is currently a party to a small number of legal disputes. Management believes that the results of these legal disputes will not impact the Group's financial position other than the receivables and liabilities that have been recognised in the balance sheet at December 31, 2014.

The Danish tax authorities ("SKAT") have in a transfer pricing review increased the taxable income of the subsidiary Fibertex Personal Care A/S by DKK 122 million for the years 2007–2011. According to SKAT, the subsidiary Fibertex Personal Care Sdn. Bhd, Malaysia must pay an annual revenue-driven royalty to the Danish company in return for the use of intellectual property rights. The company's management disagrees with the decision, because no intellectual property rights have been transferred to the Malaysian subsidiary. Accordingly, SKAT's decision to increase the taxable income has been appealed to the National Tax Tribunal. Furthermore, SKAT has an obligation to negotiate a corresponding reduction of income in Malaysia with the Malaysian tax authorities, the outcome of which could fully or partly eliminate the consolidated tax effect. Due to the nature of the case, no liability has been recognised in respect of this tax matter.

At December 31, 2014, the Group provided a guarantee to an insurance company in the amount of DKK 20 million.

The following assets have been provided as security to credit institutions (carrying amount):

	2014	2013
Land and buildings	449.0	497.8
Plant and machinery	197.5	185.2
Current assets	476.1	474.3
Other collaterals	8.7	9.6
Total	1,131.3	1,166.9

The collateral set out above represents the Group's debt to credit and mortgage-credit institutions of DKK 681.8 million (2013: DKK 772.9 million).

Other notes to the consolidated financial statements

25 FINANCIAL RISK

The Group's risk management policy
Due to the nature of its operations, investments and financing, the Group is exposed to changes in exchange rates and interest rates. Group policy is to not actively speculate in financial instruments. Accordingly, the Group's financial management exclusively involves the management of financial risk relating to its operations, investments and financing.

Risk relating to raw materials
Risk on raw materials prices is not hedged by way of financial instruments.

Credit risk
The Group's credit risk is primarily related to trade receivables (see note 6) and cash deposits. The Group seeks to avoid significant exposure to individual customers or business partners. The Group's policy for undertaking credit risks involves an ongoing credit assessment of all major customers. At December 31, 2014, the maximum credit risk considering the collateral provided was DKK 3,260.0 million (trade receivables less collateral + cash).

Liquidity risk
It is group policy when raising loans to maximise flexibility by diversifying borrowing in respect of maturity/renegotiation dates and counterparties, with due consideration to costs. The Group's cash reserves consist of cash and undrawn credit facilities. The Group's objective is to have sufficient cash resources to allow it to continue in an adequate manner to operate the business and to react to unforeseen fluctuations in its cash holdings.

	2014	2013
Operating credit facility	2,057.3	2,113.5
Drawn operating credits, see note 20	-77.6	-238.3
Cash and cash equivalents	1,087.1	1,324.0
Share of current receivables from associate	0.0	141.4
Cash resources	3,066.8	3,340.6

The Group's credit facilities have mainly been raised with large Scandinavian banks, with whom the Group has had a long-standing relationship. Most operating credits can be terminated at short notice, with the exception of the DKK 640 million credit facility, which is interminable on the part of the bank until May 31, 2018, subject to compliance with covenants. The credit facility will be reduced by DKK 40 million per year until expiry in May 2018. A share of the current receivables from an associate was paid at the beginning of 2014.

Capital management
Schouw & Co. gives priority to having a high equity ratio in order to ensure financial versatility. The company's significant undrawn credit limits provide it with substantial cash resources.

Currency risk
In order to limit currency risk, the group applies a number of financial instruments, mainly forward currency transactions. The individual group companies manage and hedge current and future currency positions in accordance with guidelines determined by Schouw & Co. It is group policy to hedge material expected currency flows in currencies not closely correlated with EUR 6–12 months forward. Currency positions in EUR are not hedged. The Group has a number of investments in foreign subsidiaries, for which the translation of equity into Danish kroner is subject to currency risk. Generally, group policy is not to hedge net investments.

The Group has generally had a relatively modest foreign exchange exposure because its sales have to a large degree had a natural hedge through same-currency costs. The Group's largest foreign currency exposures relative to its functional currency are to USD, EUR, CLP. After hedging current and future foreign currency positions, the Group's main exposures are to USD. The effect of likely changes in Danish kroner exchange rates against USD is DKK 13.4 million. The likely changes in foreign exchange rates are based on fluctuations in end-of-year exchange rates of the last two years and are estimated at 13%.

Hedging of future cash flows is primarily done in BioMar, which often enters into substantial contracts for the purchase of fish oil and fish meal in currencies other than the functional currency of individual Group companies. It is customary to hedge the foreign exchange risk on individual purchases of raw materials at the time of purchase.

	2014	2013
Currency hedging	4.8	-1.1
Interest rate hedging	-31.5	-18.2
Hedging agreements before tax	-26.7	-19.3
Tax on hedging agreements	6.7	4.8
Hedging agreements after tax	-20.0	-14.5
Currency hedging expires in maximum (number of months)	13	3
Interest rate hedging expires in maximum (number of months)	144	156

CONSOLIDATED STATEMENT

25 FINANCIAL RISK - CONTINUED

The Group's debt maturity profile:

2014	Carrying amount	Cash flows including interests: Overdraft facilities without planned repayment	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial instruments:						
Banks and other credit institutions	1,160.5	77.6	252.3	733.4	166.7	1,230.0
Financial leases	13.6	0.0	10.4	3.6	0.0	14.0
Trade payables	1,867.4	0.0	1,867.4	0.0	0.0	1,867.4
Other current payables, etc.	324.0	0.0	324.0	0.0	0.0	324.0
Derivative financial instruments:						
Forward currency contracts used as hedging instruments	1.4	0.0	1.4	0.0	0.0	1.4
Interest rate swaps used for hedging	31.5	0.0	10.3	15.9	6.8	33.0
Recognised in the balance sheet total	3,398.4	77.6	2,465.8	752.9	173.5	3,469.8
Operational leases			87.4	245.0	195.3	527.7
Legal obligation at December 31, for the purchase of PPE			66.0	0.0	0.0	66.0
Total		77.6	2,619.2	997.9	368.8	4,063.5

2013	Carrying amount	Cash flows including interests: Overdraft facilities without planned repayment	Less than 1 year	1-5 years	More than 5 years	Total
Non-derivative financial instruments						
Banks and other credit institutions	1,448.2	238.3	224.5	901.8	196.2	1,560.8
Financial leases	25.4	0.0	13.0	13.5	0.0	26.5
Trade payables	1,861.8	0.0	1,861.8	0.0	0.0	1,861.8
Other current payables, etc.	364.9	0.0	364.9	0.0	0.0	364.9
Derivative financial instruments						
Forward currency contracts used as hedging instruments	1.1	0.0	1.2	0.0	0.0	1.2
Interest rate swaps used for hedging	18.2	0.0	8.0	7.7	3.4	19.1
Recognised in the balance sheet total	3,719.6	238.3	2,473.4	923.0	199.6	3,834.3
Operational leases			93.4	241.1	241.8	576.3
Legal obligation at December 31, for the purchase of PPE			44.2	0.0	0.0	44.2
Total		238.3	2,611.0	1,164.1	441.4	4,454.8

Other notes to the consolidated financial statements

26 CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

Financial assets	2014	2013
Non-current assets		
Other investments and securities (other equity holdings)	115.0	99.5
Available-for-sale financial assets (3)	115.0	99.5
Other receivables	144.2	154.1
Receivables measured at amortised cost	144.2	154.1
Current assets		
Trade receivables	2,423.5	2,407.7
Other receivables	162.4	263.7
Cash and cash equivalents	1,087.1	1,324.0
Receivables measured at amortised cost	3,673.0	3,995.4
Other investments and securities (other equity holdings)	0.1	0.1
Available-for-sale financial assets (3)	0.1	0.1
Other receivables (derivative financial instruments)	6.2	0.0
Trading portfolio (2)	6.2	0.0
Financial liabilities		
Non-current liabilities		
Debt to mortgage-credit institutions	248.0	274.4
Other (debt) to credit institutions	610.5	760.8
Other liabilities	6.0	4.7
Financial liabilities measured at amortised cost	864.5	1,039.9
Current liabilities		
Debt to mortgage-credit institutions	25.0	25.4
Other (debt) to credit institutions	290.7	413.0
Trade payables	1,867.4	1,861.8
Financial liabilities measured at amortised cost	2,183.1	2,300.2
Other debt (derivative financial instruments)	32.9	16.2
Trading portfolio (2)	32.9	16.2

1) Listed shares, stated at market value of shareholding (level 1)
2) Financial instruments valued by external credit institutions using generally accepted valuation techniques on the basis of observable data (level 2).
3) Unlisted shares, stated at estimated value (level 3)

The fair value of financial assets and liabilities measured at amortised cost largely corresponds to the carrying amount.

27 FAIR VALUE OF CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

	2014	2013
Financial assets		
Derivative financial instruments to hedge future cash flows – level 2	6.2	0.0
Securities measured at fair value through other comprehensive income – level 3	115.1	99.6
Financial liabilities		
Derivative financial instruments to hedge future cash flows – level 2	32.9	16.2

Securities measured at fair value through other comprehensive income – level 3 amounted to DKK 99.6 million at the beginning of the year. The change in the period of DKK 15.5 million breaks down into additions of DKK 10.0 million, disposals of DKK 4.2 million, reclassifications of DKK 2.8 million and foreign exchange adjustments of DKK 12.5 million.

The Group uses interest rate swaps and forward currency contracts to hedge fluctuations in the level of interest rates and foreign exchange rates. Forward exchange contracts and interest rate swaps are valued using generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair values applied are calculated mainly by external sources on the basis of discounted future cash flows.

The fair value of derivative financial instruments is calculated by way of valuation models such as discounted cash flow models. Anticipated cash flows for individual contracts are based on observable market data such as yield curves and exchange rates. In addition, fair values are based on non-observable market data, including exchange rate volatilities, or correlations between yield curve, exchange rates and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments at the end of the reporting period.

Other notes to the consolidated financial statements

28 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2014	2013
Profit from discontinued operations		
Revenue (external)	0.0	1,299.6
Cost of sales	0.0	-858.5
Gross profit	0.0	441.1
Distribution costs	0.0	-276.8
Administrative expenses	0.0	-79.9
Goodwill impairment	0.0	0.0
Other operating income/expenses, net	0.0	2.6
Operating profit (EBIT)	0.0	87.0
Profit/(loss) after tax in associates	0.0	0.0
Financial items, net	0.0	-22.2
Profit before tax	0.0	64.8
Tax on profit for the year	0.0	-13.5
Profit after tax	0.0	51.3
Cost of divesting activities	0.0	456.8
Tax on divestment	0.0	0.0
Profit for the year from discontinued operations	0.0	508.1
Attributable to		
Shareholders of Schouw & Co.	0.0	508.1
Minority interests	0.0	0.0
Profit for the year	0.0	508.1
Earnings per share from discontinued operations (DKK)	0.00	21.35
Diluted earnings per share from discontinued operations (DKK)	0.00	21.28
Cash flows from operating activities	0.0	75.1
Cash flows from investing activities	0.0	-42.4
Cash flows from financing activities	0.0	-92.1
Received dividend from discontinued operations	0.0	15.0
Cash proportion of proceeds from divestment	0.0	478.5
Cash flows from discontinued operations	0.0	434.1

	2014	2013
Assets held for sale		
Intangible assets	0.0	0.0
Property, plant and equipment	0.0	0.0
Other non-current assets	0.0	0.0
Cash and cash equivalents	0.0	0.0
Other current assets	0.0	0.0
Assets held for sale - total	0.0	0.0
Presented under the line item Assets held for sale in the consolidated balance sheet	0.0	0.0
Liabilities associated with assets classified as held for sale		
Interest-bearing debt	0.0	0.0
Other creditors	0.0	0.0
Liabilities associated with assets classified as held for sale - total	0.0	0.0
Presented under the line item Liabilities relating to assets held for sale in the consolidated balance sheet	0.0	0.0

The item profit on discontinued operations contains profit from Grene for ten months of 2013 and from Martin Professional for two months of 2013.

29 TAX ON THE PROFIT FOR THE YEAR

	2014	2013
Tax for the year is composed as follows:		
Tax on the profit for the year in continuing operations	-273.6	-249.3
Tax on the profit for the year in discontinued operations	0.0	-13.5
Tax on other comprehensive income	2.9	-5.8
Tax in total	-270.7	-268.6
Tax on the profit for the year has been calculated as follows:		
Current tax	-242.2	-126.7
Deferred tax	-30.0	-117.9
Change in deferred tax due to change in corporate income tax rates	3.2	-4.3
Adjustment of prior-year tax charge	-4.6	-0.4
Tax recognised in the income statement in total	-273.6	-249.3
Specification of the tax on the profit for the year:		
Calculated 24.5% (25.0%) tax of the profit for the year	24.5%	25.0%
Adjustment of calculated tax in foreign subsidiaries relative to 24.5% (25.0%)	-0.6%	-0.9%
Total	23.9%	24.1%
Change of corporate income tax rate	-0.5%	0.4%
Tax effect of non-deductible costs and non-taxable income	-2.1%	-0.1%
Tax effect of dividend tax in Chile	16.5%	0.0%
Tax effect of adjustment of prior-year tax charge	0.7%	0.0%
Tax effect of non-capitalised tax asset	0.9%	0.3%
Tax effect of deferred tax regarding previous years recognised this year	-0.3%	-2.3%
Effective tax rate	39.0%	22.5%

The tax for the year was impacted by the decision to distribute a large dividend amount in Chile in 2015. The decision will trigger a tax payment of DKK 115.7 million, which amount has been recognised in the consolidated financial statements at December 31, 2014. The distribution of dividend was triggered by a change in Chilean tax regulations and a reassessment of the Chilean subsidiary's capital structure.

	2014		
Tax on items taken directly to other comprehensive income	**Before tax**	**Tax**	**After tax**
Exchange adjustments of foreign units, etc.	190.6	0.0	190.6
Hedging instruments for the year	-18.7	4.7	-14.0
Hedging instruments transferred to cost of sales	1.1	-0.3	0.8
Hedging instruments transferred to financials	8.0	-2.0	6.0
Other comprehensive income from associates and JVs	-6.7	0.0	-6.7
Other adjustments recognised directly in equity	-1.8	0.5	-1.3
Tax on items taken directly to other comprehensive income in total	172.5	2.9	175.4

	2013		
Tax on items taken directly to other comprehensive income	**Before tax**	**Tax**	**After tax**
Exchange adjustments of foreign units, etc.	-202.3	0.0	-202.3
Hedging instruments for the year	12.6	-2.4	10.2
Hedging instruments transferred to cost of sales	2.0	-0.6	1.4
Hedging instruments transferred to financials	11.1	-2.8	8.3
Hedging instruments transferred to discontinued operations	13.4	0.0	13.4
Other comprehensive income from associates and JVs	-3.4	0.0	-3.4
Tax on items taken directly to other comprehensive income in total	-166.6	-5.8	-172.4

30 DEFERRED TAX

	2014	2013
Deferred tax at January 1	52.7	-67.1
Foreign exchange adjustment	4.0	-9.5
Reclassified	0.0	3.0
Deferred tax adjustment at January 1	0.0	2.4
Deferred tax for the year recognised in profit for the year of continuing operations	30.0	117.9
Effect of lowering corporate income tax	-3.2	4.3
Transferred to income tax payable, January 1	0.3	0.7
Deferred tax for the year recognised in other comprehensive income	0.2	0.3
Addition on acquisition of subsidiary	15.4	0.7
Net deferred tax at December 31	**99.4**	**52.7**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax (asset)	-51.9	-75.2
Deferred tax (liability)	151.3	127.9
Net deferred tax at December 31	**99.4**	**52.7**
Deferred tax pertains to:		
Intangible assets	19.7	6.7
Property, plant and equipment	156.9	149.0
Current assets	3.0	-7.3
Equity	0.0	0.0
Provisions	-1.4	-1.2
Other liabilities	-18.0	-12.3
Tax loss carry-forwards	-60.8	-82.2
Net deferred tax at December 31	**99.4**	**52.7**

Schouw & Co. has capitalised tax assets of DKK 52 million. It is expected that the tax capitalised will be absorbed by taxable income within the next few years.

There are no deferred tax liabilities that have not been recognised in the balance sheet. Tax losses with an aggregate tax value of DKK 43 million (2013: DKK 34.0 million) have not been capitalised, because it is considered unlikely that they will be realised.

Other notes to the consolidated financial statements

30 DEFERRED TAX (CONTINUED)

2014							
Change in deferred tax	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Reclassified to discontinued operations	Recognised in profit for the year	Recognised in other comprehensive income	Balance at Dec. 31
Intangible assets	6.7	0.7	15.7	0.0	-3.4	0.0	19.7
Property, plant and equipment	149.0	5.6	0.0	0.0	2.3	0.0	156.9
Receivables	-11.0	-0.9	0.0	0.0	10.3	0.0	-1.6
Inventories	3.5	0.4	0.0	0.0	0.5	0.0	4.4
Other current assets	0.2	0.0	0.0	0.0	0.0	0.0	0.2
Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	-1.2	0.0	-0.3	0.0	0.1	0.0	-1.4
Other liabilities	-12.3	-1.5	0.0	0.0	-4.4	0.2	-18.0
Tax losses	-82.2	-0.3	0.0	0.0	21.7	0.0	-60.8
Total change in deferred tax	52.7	4.0	15.4	0.0	27.1	0.2	99.4

2013							
Change in deferred tax	Balance at Jan. 1	Foreign exchange adjustment	Additions on acquisition	Reclassified to discontinued operations	Recognised in profit for the year	Recognised in other comprehensive income	Balance at Dec. 31
Intangible assets	0.9	-0.2	0.0	0.2	5.8	0.0	6.7
Property, plant and equipment	164.2	-11.3	1.6	-12.8	7.3	0.0	149.0
Receivables	-18.4	0.8	0.0	0.3	6.3	0.0	-11.0
Inventories	-0.6	-0.1	0.0	4.2	0.0	0.0	3.5
Other current assets	-0.5	0.0	0.0	0.7	0.0	0.0	0.2
Equity	0.1	0.0	0.0	-0.1	0.0	0.0	0.0
Provisions	-1.4	0.0	0.0	0.8	-0.6	0.0	-1.2
Other liabilities	-18.0	0.9	-0.9	0.1	5.3	0.3	-12.3
Tax losses	-193.4	0.4	0.0	9.6	101.2	0.0	-82.2
Total change in deferred tax	-67.1	-9.5	0.7	3.0	125.3	0.3	52.7

Other notes to the consolidated financial statements

31 INCOME TAX

	2014	2013
Net income tax payable at January 1	4.7	38.7
Reclassified	0.0	6.3
Exchange adjustments at January 1	0.5	-3.6
Current tax for the year	242.2	126.7
Prior-year adjustments	4.6	0.4
Transferred from deferred tax at January 1	-0.3	-0.7
Current tax for the year recognised in other comprehensive income	-3.0	5.5
Additions on acquisitions	1.9	0.0
Corporate income tax paid during the year	-127.8	-168.6
Income tax at December 31	**122.8**	**4.7**
Which is distributed as follows:		
Income tax receivable	-8.4	-8.8
Income tax payable	131.2	13.5
Income tax at December 31	**122.8**	**4.7**

32 FEES TO AUDITORS APPOINTED BY THE GENERAL MEETING

	2014	2013
Statutory audit fees, EY/KPMG	-3.4	-4.1
Fees for other assurance engagements, EY/KPMG	-0.3	-0.6
Fees for tax and VAT related services, EY/KPMG	-1.3	-2.2
Fees for other services, EY/KPMG	-2.2	-2.3
Total fees, EY/KPMG	**-7.2**	**-9.2**
Statutory audit fees, other accountants	-1.7	-0.7
Fees for other assurance engagements, other auditors	-0.1	0.0
Fees for tax and VAT related services, other accountants	-0.9	-0.2
Fees for other services, other accountants	-0.3	-0.5
Total fees, other accountants	**-3.0**	**-1.4**

KPMG Danmark became a part of the EY network in 2014.

33 EARNINGS PER SHARE

	2014	2013
Share of the profit for the year attributable to shareholders of Schouw & Co.	427.8	1,367.4
Of which profit for the year from continuing operations	427.8	859.3
Of which profit for the year from discontinued operations	0.0	508.1
Average number of shares	25,500,000	25,500,000
Average number of treasury shares	-1,833,701	-1,703,308
Average number of outstanding shares	**23,666,299**	**23,796,692**
Average dilutive effect of outstanding share options *	73,377	74,406
Diluted average number of outstanding shares	**23,739,676**	**23,871,098**
Earnings per share in Danish kroner of DKK 10	18.08	57.46
Diluted earnings per share in Danish kroner of DKK 10	18.02	57.28
Earnings per share in Danish kroner of DKK 10 from continuing operations	18.08	36.11
Diluted earnings per share in Danish kroner of DKK 10 from continuing operations	18.02	36.00
Earnings per share from discontinued operations (DKK)	0.00	21.35
Diluted earnings per share from discontinued operations (DKK)	0.00	21.28

* See note 3 for information on options that may cause dilution.

Other notes to the consolidated financial statements

34 RELATED PARTY TRANSACTIONS

Under Danish legislation, Givesco A/S, Svinget 24, DK-7323 Give, members of the Board of Directors, the Management Board and senior management as well as their family members are considered to be related parties. Related parties also comprise companies in which the individuals mentioned above have material interests. Related parties also comprise subsidiaries, joint arrangements and associates, see note 13 to the consolidated financial statements and note 9 to the parent company financial statements, in which Schouw & Co. has control, significant influence or joint control of as well as members of the boards of directors, management boards and senior management of those companies.

Management's remuneration and share option programmes are set out in note 3.

	2014	2013
Joint Ventures:		
During the financial year, the Group received consulting fees from Xergi in the amount of	0.1	0.0
Associates:		
During the financial year, the Group received a management fee from Incuba Invest in the amount of	0.1	0.1
During the financial year, the Group received interest income from Incuba Invest in the amount of	0.8	0.8
During the financial year, the Group received interest income from Kramp in the amount of	0.4	0.8
At December 31, the Group had a receivable from Incuba Invest in the amount of	9.9	9.4
At December 31, the Group had a receivable from Kramp in the amount of	0.0	141.4
During the financial year, the Group received dividends from Kramp in the amount of	76.0	0.0

Other than as set out above, no transactions were made during the year with related parties.

Schouw & Co. has registered the following shareholders as holding 5% or more of the share capital: Givesco A/S (28.09%), Direktør Svend Hornsylds Legat (14.82%) and Aktieselskabet Schouw & Co. (7.88%).

35 EVENTS AFTER THE BALANCE SHEET DATE

Fibertex Nonwovens has effective from March 1, 2015, increased its ownership interest in Fibertex South Africa from 26.0% to 74.2%. The transaction makes the company a subsidiary and it will be consolidated as such effective from March 1, 2015.

Other than as set out above and elsewhere in this Annual Report, Schouw & Co. is not aware of events occurring after December 31, 2014, which are expected to have a material impact on the Group's financial position or outlook.

36 NEW FINANCIAL REPORTING REGULATIONS

A number of new standards and interpretations were issued in 2014 that are not mandatory for Schouw & Co. A/S, including IFRS 14, IFRS 15 and Amendments to IFRS 9. Schouw & Co. expects to implement the adopted standards and interpretations that have not yet come into force when they become mandatory as per the EU effective dates. The amendments are not expected to have any material impact on the financial reporting of Schouw & Co.

Parent company financial statement

Statement of income and comprehensive income *Jan. 1-Dec. 31*

Note	Income statement	2014	2013
1	Revenue	4.5	18.2
2	Cost of sales	0.0	-1.5
	Gross profit	4.5	16.7
3	Other operating income	0.0	53.9
2, 22	Administrative expenses	-28.4	-30.1
	Operating profit (EBIT)	-23.9	40.5
	Profit from divestment of equity investments	0.0	545.6
11	Financial income	1,097.6	746.0
12	Financial expenses	-707.5	-23.2
	Profit before tax	366.2	1,308.9
18	Tax on profit for the year	4.6	-12.7
	Profit for the year	370.8	1,296.2
	Attributable to		
	Proposed dividend, DKK 8 per share (2013: DKK 6 per share)	204.0	153.0
	Retained earnings	166.8	1,143.2
	Profit for the year	370.8	1,296.2

Note	Statement of comprehensive income	2014	2013
	Items that will be reclassified to the income statement:		
	Hedging instruments recognised during the year	-2.0	0.0
	Hedging instruments transferred to financials	1.8	1.8
18	Tax on other comprehensive income	0.0	-0.4
	Other comprehensive income after tax	-0.2	1.4
	Profit for the year	370.8	1,296.2
	Total recognised comprehensive income	370.6	1,297.6

Balance · assets, liabilities and equity *at Dec. 31*

Note	Assets	2014	2013
	Land and buildings	16.1	16.1
	Other fixtures, tools and equipment	2.6	1.5
7	**Property, plant and equipment**	18.7	17.6
9	Equity investments in subsidiaries	2,338.6	2,998.1
9	Equity investments in associates	634.9	634.9
9	Equity investments in joint ventures	20.1	20.1
	Securities	0.4	0.4
19	Deferred tax	13.6	15.1
8	Receivables from subsidiaries	387.3	381.0
	Other non-current assets	3,394.9	4,049.6
	Total non-current assets	3,413.6	4,067.2
8	Receivables from subsidiaries	933.4	405.5
4	Receivables	10.4	151.4
21	Income tax	0.0	10.3
	Cash	380.0	465.5
	Total current assets	1,323.8	1,032.7
	Total assets	4,737.4	5,099.9

Note	Liabilities and equity	2014	2013
14	Share capital	255.0	255.0
	Hedge transaction reserve	-5.6	-5.4
	Retained earnings	4,168.4	4,123.2
	Proposed dividend	204.0	153.0
	Total equity	4,621.8	4,525.8
15	Pensions and similar liabilities	21.4	22.4
13	Credit institutions	6.8	14.9
	Non-current liabilities	28.2	37.3
13	Current portion of non-current debt	8.1	8.8
13	Payables to subsidiaries	40.2	472.9
6	Trade payables and other payables	14.0	22.5
20	Joint taxation contribution	25.1	32.6
	Current liabilities	87.4	536.8
	Total liabilities	115.6	574.1
	Total liabilities and equity	4,737.4	5,099.9

Notes without reference 10, 16, 17 & 23.

PARENT COMPANY

Cash flow statement *Jan. 1-Dec. 31*

Note		2014	2013
	Profit before tax	366.2	1,308.9
	Adjustment for operating items of a non-cash nature, etc.		
2	Depreciation and impairment losses	0.2	0.8
	Other operating items, net	-2.6	-54.2
	Non-cash profit from divestment of equity investments	0.0	-545.6
	Provisions	-1.0	-4.6
	Financial income	-1,097.6	-746.0
	Financial expenses	707.5	23.2
	Cash flows from operating activities before changes in working capital	-27.3	-17.5
5	Changes in working capital	-0.9	-0.9
	Cash flows from operating activities	-28.2	-18.4
	Financial income received	17.8	16.8
	Financial expenses paid	-2.9	-4.1
	Cash flows from ordinary activities	-13.3	-5.7
20,21	Joint taxation contribution received and net tax paid	8.9	-72.3
	Cash flows from operating activities	-4.4	-78.0
	Purchase of property, plant and equipment	-1.3	-0.2
	Sale of property, plant and equipment	0.0	137.4
	Capital increase in subsidaries	-42.0	-60.1
	Acquisition of subsidiaries	0.0	-11.1
	Sale of subsidiaries	0.0	513.0
	Dividend from subsidiaries	1,076.0	340.0
	Loans to associate	-0.5	0.6
	Cash flows from investing activities	1,032.2	919.6

Note		2014	2013
	Debt financing:		
	Repayment of non-current liabilities	-8.9	-72.0
	Increase (repayment) of bank overdrafts	0.0	47.2
	Increase (repayment) of intra-group balances	-825.8	-273.5
	Shareholders:		
	Dividend paid	-142.5	-119.2
	Purchase / sale of treasury shares, ect.	-133.9	41.4
	Cash flows from financing activities	-1,111.1	-376.1
	Cash flows for the year	-83.3	465.5
	Cash and cash equivalents at January 1	465.5	0.0
	Value adjustment of cash and cash equivalents	-2.2	0.0
	Cash and cash equivalents at December 31	380.0	465.5

Equity statement

	Share capital	Hedge transaction reserve	Retained earnings	Proposed dividend	Total equity
Equity at January 1, 2013	255.0	-6.8	2,928.8	127.5	3,304.5
Other comprehensive income in 2013					
Hedging instruments transferred to financials	0.0	1.8	0.0	0.0	1.8
Tax on other comprehensive income	0.0	-0.4	0.0	0.0	-0.4
Profit for the year	0.0	0.0	1,143.2	153.0	1,296.2
Total recognised comprehensive income	0.0	1.4	1,143.2	153.0	1,297.6
Transactions with the owners					
Share-based payment, net	0.0	0.0	5.0	0.0	5.0
Dividend distributed	0.0	0.0	8.3	-127.5	-119.2
Treasury shares bought/sold	0.0	0.0	37.9	0.0	37.9
Transactions with the owners for the year	0.0	0.0	51.2	-127.5	-76.3
Equity at December 31, 2013	255.0	-5.4	4,123.2	153.0	4,525.8
Other comprehensive income in 2014					
Value adjustment of hedging instruments	0.0	-2.0	0.0	0.0	-2.0
Hedging instruments transferred to financials	0.0	1.8	0.0	0.0	1.8
Tax on other comprehensive income	0.0	0.0	0.0	0.0	0.0
Profit for the year	0.0	0.0	166.8	204.0	370.8
Total recognised comprehensive income	0.0	-0.2	166.8	204.0	370.6
Transactions with the owners					
Share-based payment, net	0.0	0.0	5.6	0.0	5.6
Dividend distributed	0.0	0.0	10.5	-153.0	-142.5
Treasury shares bought/sold	0.0	0.0	-137.7	0.0	-137.7
Transactions with the owners for the year	0.0	0.0	-121.6	-153.0	-274.6
Equity at December 31, 2014	255.0	-5.6	4,168.4	204.0	4,621.8

Hedge transaction reserve
The hedge transaction reserve contains the accumulated net change in the fair value of hedging transactions that meet the criteria for hedging future cash flows and for which the hedged transaction has yet to be realised.

Notes to the parent company financial statements

1 REVENUE

	2014	2013
Management fee	4.5	4.5
Rental income etc.	0.0	13.7
Total revenue	4.5	18.2

2 COSTS

	2014	2013
Staff costs		
Remuneration to the Board of Directors of Schouw & Co.	-2.6	-2.6
Wages and salaries	-15.0	-15.0
Defined contribution pension plans	-1.0	-0.9
Other social security costs	-0.1	-0.1
Share-based payment	-1.7	-1.5
Total staff costs	-20.4	-20.1
Average number of employees	11	11
Depreciation		
Depreciation of property, plant and equipment	-0.2	-0.8
Total depreciation	-0.2	-0.8
Depreciation is recognised in the income statement as follows:		
Production	0.0	-0.6
Administration	-0.2	-0.2
Total depreciation	-0.2	-0.8

For more information on salaries, pensions and share-based payment to the Executive Management of Schouw & Co., see note 3 to the consolidated financial statements.

Staff costs including share-based payment are recognised under administrative expenses.

3 OTHER OPERATING INCOME

	2014	2013
Gains on the disposal of property, plant and equipment	0.0	53.9
Total other operating income	0.0	53.9

4 RECEIVABLES - CURRENT

	2014	2013
Receivables from associates	9.9	150.8
Other current receivables	0.2	0.0
Accruals and deferred income	0.3	0.6
Receivables current	10.4	151.4

No impairment losses were recognised on receivables during the year.

5 CHANGES IN WORKING CAPITAL

	2014	2013
Change in receivables	0.5	-1.0
Change in trade payables and other payables	-1.4	0.1
Changes in working capital in total	-0.9	-0.9

6 TRADE PAYABLES AND OTHER PAYABLES

	2014	2013
Trade payables	0.5	0.5
Other payables	13.5	22.0
Trade payables and other payables in total	14.0	22.5

Notes to the parent company financial statements

7 PROPERTY, PLANT AND EQUIPMENT

2014	Land and buildings	Investment properties	Other fixtures, tools and equipment	Total
Cost at January 1, 2014	18.9	0.0	5.9	24.8
Additions	0.0	0.0	1.3	1.3
Cost at December 31, 2014	18.9	0.0	7.2	26.1
Depreciation and impairment at January 1, 2014	-2.8	0.0	-4.4	-7.2
Depreciation	0.0	0.0	-0.2	-0.2
Depreciation and impairment at December 31, 2014	-2.8	0.0	-4.6	-7.4
Carrying amount at December 31, 2014	16.1	0.0	2.6	18.7
Depreciated over	25 years		3-8 years	

2013	Land and buildings	Investment properties	Other fixtures, tools and equipment	Total
Cost at January 1, 2013	17.6	112.7	5.9	136.2
Additions	0.0	0.0	0.2	0.2
Disposals	0.0	-111.4	-0.2	-111.6
Transferred/reclassified	1.3	-1.3	0.0	0.0
Cost at December 31, 2013	18.9	0.0	5.9	24.8
Depreciation and impairment at January 1, 2013	-2.8	-29.0	-4.4	-36.2
Depreciation and impairment of disposed assets	0.0	29.6	0.2	29.8
Depreciation	0.0	-0.6	-0.2	-0.8
Depreciation and impairment at December 31, 2013	-2.8	0.0	-4.4	-7.2
Carrying amount at December 31, 2013	16.1	0.0	1.5	17.6
Depreciated over	25 years	20-40 years	3-8 years	

At December 31, 2014, Schouw & Co. owned the property at Chr. Filtenborgs Plads 1, Aarhus, which is the Group's head office, and an undeveloped site at Hovmarken 18, Lystrup.

8 RECEIVABLES FROM SUBSIDIARIES

	2014	2013
Receivables from subsidiaries - non-current	387.3	381.0
Receivables from subsidiaries - current	933.4	405.4
Receivables from subsidiaries in total	**1,320.7**	**786.4**
Break down of receivables from subsidiaries:		
Interest-bearing	1,319.1	784.9
Non-interest-bearing	1.6	1.5
Receivables from subsidiaries in total	**1,320.7**	**786.4**

No impairment losses were recognised on receivables during the year.

For receivables which mature within 12 months after the end of the financial year, the nominal value is estimated to correspond to the fair value.

9 INVESTMENTS IN SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

The parent company has the following subsidiaries:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
BioMar Group A/S	Aarhus, Denmark	100%	100%
Fibertex Personal Care A/S	Aalborg, Denmark	100%	100%
Fibertex Nonwovens A/S	Aalborg, Denmark	100%	100%
Hydra-Grene A/S	Skjern, Denmark	100%	100%
Schouw & Co. Finans A/S	Aarhus, Denmark	100%	100%
Niels Bohrs Vej A/S	Aarhus, Denmark	100%	100%
Saltebakken 29 ApS	Aarhus, Denmark	100%	100%
Alba Ejendomme A/S	Aarhus, Denmark	100%	100%

	2014	2013
Cost at January 1	3,475.1	3,451.4
Reclassified	0.0	1.8
Additions	42.0	71.1
Disposals	0.0	-49.2
Cost at December 31	3,517.1	3,475.1
Adjustments at January 1	-477.0	-832.8
Impairment	-701.5	-17.5
Reversal of prior-year impairment	0.0	373.3
Adjustments at December 31	-1,178.5	-477.0
Carrying amount at December 31	2,338.6	2,998.1

Schouw & Co. has tested investments for impairment, resulting in a total write-down in subsidiaries of DKK 701.5 million. The value of Schouw & Co. Finans A/S was written down by DKK 700.0 million and Alba Ejendomme A/S written down by DKK 1.5 million. The writedown of Schouw & Co. Finans A/S follows a dividend distribution of DKK 700 million from the company.

Management did not in 2014 identify factors in investments in associates and joint ventures with indications of impairment.

The parent company has the following joint ventures:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
Xergi A/S	Støvring, Denmark	50%	50%

	2014	2013
Cost at January 1	60.0	60.0
Cost at December 31	60.0	60.0
Adjustments at January 1	-39.9	-39.9
Adjustments at December 31	-39.9	-39.9
Carrying amount at December 31	20.1	20.1

The parent company has the following associates:

Name	Registered office	Ownership interest - 2014	Ownership interest - 2013
Incuba Invest A/S	Aarhus, Denmark	49%	49%
Kramp Groep B.V.	Varsseveld, The Netherlands	20%	20%

	2014	2013
Cost at January 1	661.5	66.5
Additions	0.0	595.0
Cost at December 31	661.5	661.5
Adjustments at January 1	-26.6	-26.6
Adjustments at December 31	-26.6	-26.6
Carrying amount at December 31	634.9	634.9

For more information about significant associates, see Note 13 to the consolidated financial statements.

Notes to the parent company financial statements

10 OPERATING LEASE LIABILITIES

	2014	2013
Due for payment within 1 year	0.2	0.3
Due for payment within 1-5 years	0.2	0.0
Due for payment after 5 years	0.0	0.0
Operating leases in total	0.4	0.3

An amount of DKK 0.4 million (2013: DKK 0.4 million) relating to operating leases has been recognised in the income statement for 2014. The parent company has lease agreements for cars only.

11 FINANCIAL INCOME

	2014	2013
Interest income from subsidiaries	14.0	14.9
Dividends from subsidiaries and associates	1,076.0	340.0
Currency transaction adjustments	3.4	0.0
Value adjustment of discontinuing activities	0.0	15.3
Reversal of prior-year impairment on investments in subsidiaries	0.0	373.3
Other interest income	4.2	2.5
Total financial income	1,097.6	746.0

12 FINANCIAL EXPENSES

	2014	2013
Impairment of investments in subsidiaries	-701.5	-17.5
Interest payable to subsidiaries	-0.4	-0.7
Interests on financial liabilities	-1.4	-3.1
Fair value adjustments of hedging transactions transferred from equity	-1.8	-1.8
Currency transaction adjustments	-2.4	-0.1
Total financial expenses	-707.5	-23.2

The writedown on investments is described in note 9.

13 INTEREST-BEARING DEBT

Debt recognised in the balance sheet:

	2014	2013
Mortgage debt (non-current)	6.8	7.3
Other liabilities (non-current)	0.0	7.6
Recognised under non-current debt to credit institutions, total	6.8	14.9
Current portion of non-current liabilities	8.1	8.8
Payables to subsidiaries	40.2	472.9
Interest-bearing debt in total	55.1	496.6
Fair value of the interest bearing debt	55.1	496.5

Maturity profile of interest-bearing debt:

	2014	2013
Payment		
Payables to subsidiaries without planned repayment	40.2	472.9
Less than 1 year	8.4	9.5
1-5 years	2.4	10.2
More than 5 years	4.9	5.6
Total	55.9	498.2
Rate of interest		
Payables to subsidiaries without planned repayment	0.0	0.0
Less than 1 year	0.3	0.7
1-5 years	0.2	0.5
More than 5 years	0.3	0.4
Total	0.8	1.6
Carrying amount		
Payables to subsidiaries without planned repayment	40.2	472.9
Less than 1 year	8.1	8.8
1-5 years	2.2	9.7
More than 5 years	4.6	5.2
Total	55.1	496.6

Spot rate used for floating rate loans.

13 INTEREST-BEARING DEBT (CONTINUED)

The weighted average effective rate of interest for the year was 1.8% (2013: 2.7%).
The weighted average effective rate of interest at the balance sheet date was 3.9% (2013: 1.1%).

Distribution of interest-bearing debt by currency:
DKK 87% and EUR 13% (2013: DKK 98% and EUR 2%).

Interest rate risk
The parent company hedges parts of the interest rate risk on its debt subject to a case-by-case assessment. Such assessments include, in addition to expectations for interest rate developments, the amount of the total floating rate debt relative to equity. Hedging consists of interest rate swaps and rate caps.

Interest profile of interest-bearing debt:

	2014	2013
Fixed rate debt	7.6	15.8
Floating rate debt	47.5	480.8
Variable rate debt swapped to fixed rate debt	47.5	50.1

An increase in interest rates of 1 percentage point would cause the annual interest expense to increase by about DKK 0.0 million after tax (2013: DKK 3.2 million). An increase in interest rates of 1% would cause equity to rise by DKK 1.7 million after tax (2013: DKK 1.9 million). The fair value of the interest rate swap has been calculated using generally accepted valuation techniques on the basis of observable data (level 2). The interest rate has a term to maturity of 4.5 years.

Fixed rate debt consists only of items, for which the rate of interest will not be reset within the next 12 months.

14 SHARE CAPITAL

The share capital consists of 25,500,000 shares with a nominal value of DKK 10 each. All shares rank equally.

The share capital is fully paid up. Each share carries one vote, for a total of 25,500,000 voting rights.

Treasury shares	Number of shares	Nominal value	Cost	Percentage of share capital
January 1, 2013	1,938,363	19,383,630	239.2	7.60%
Share option programme	-317,250	-3,172,500	-33.2	-1.24%
December 31, 2013	1,621,113	16,211,130	206.0	6.36%
Share option programme	-301,667	-3,016,670	-36.5	-1.18%
Additions	690,487	6,904,870	180.2	2.71%
December 31, 2014	2,009,933	20,099,330	349.7	7.88%

In 2014, Schouw & Co. sold shares held in treasury for proceeds of DKK 42.5 million used for the Group's share option programme. The shares had a fair value of DKK 77.9 million at the time of sale.

Schouw & Co. has been authorised by the shareholders in general meeting to acquire up to 5,100,000 treasury shares, equal to 20.0% of the share capital. The authorisation is valid until April 1, 2017.

The company acquires treasury shares for allocation to the Group's share option programmes. At December 31, 2014, the company's treasury shares had a market value of DKK 582.9 million (2013: DKK 360.7 million).

15 PENSIONS AND SIMILAR OBLIGATIONS

It is company policy to fund all pension liabilities, so as predominantly to avoid defined benefit plans. However, as part of the merger with BioMar Holding, Schouw & Co. assumed a defined benefit obligation

	2014	2013
Net liability at January 1	22.4	23.2
Paid out	-1.0	-0.8
Net liability at December 31	21.4	22.4

The pension obligation was calculated at DKK 21.4 million at December 31, 2014. The entire amount relates to the liability to insure the entitlements to receive supplementary pensions in accordance with the previous practise of the KFK pension funds. The entire obligation is related to people who were on the labour market at September 30, 2002 and who transferred to employment with the consortium that took over the divested grain and feed operations (the former KFK). Some uncertainty applies as to the amount of the pension obligation. Accordingly, final coverage of this liability may impact future financial results in a positive or a negative direction.

Amounts recognised in the consolidated income statement in respect of defined contribution plans and defined benefit plans are shown in note 3 to the financial statements.

Notes to the parent company financial statements

16 PLEDGES AND GUARANTEES

Contingent liabilities
The company is taxed jointly with the other Danish group companies. As a management company, the company is joint and severally liable with the other Danish group companies for Danish income tax and withholding tax on dividends, interest and royalties within the joint taxation pool.

Guarantees
The following assets have been provided as security to credit institutions:
Land and buildings with a carrying amount of DKK 16.1 million (2013: DKK 16.1 million).
The collateral set out above represents the parent company's debt to mortgage-credit institutions of DKK 7.4 million (2013: DKK 8.0 million).

Surety for group debt to mortgage-credit institutions amounted to DKK 8.7 million (2013: DKK 9.6 million).

In addition, the Group has provided a guarantee to an insurance company in the amount of DKK 20 million.

17 FINANCIAL RISK

The parent company's risk management policy
Due to the nature of its operations, investments and financing, the parent company is exposed primarily to changes in the level of interest rates. Interest rate risks are described in greater detail in note 13. The parent company's financial management exclusively involves the management of financial risk relating to operations and investment.

Currency risk
The parent company's foreign exchange risks relate to its subsidiaries' foreign business operations. The parent company does not hedge these investments.
In addition, the parent company has limited exposure to foreign exchange risk relating to EUR- and USD-denominated net debt. The DKK/USD exchange rate can fluctuate to a considerable extent, whereas fluctuations in the DKK/EUR exchange rate are relatively modest. 'Likely change in exchange rate' is based on historical developments of the year-end exchange rates of the last two years.

2014

Currency	Net position	Likely change in exchange rate*	Effect on profit for the year**
EUR/DKK	610.4	0.2%	1.2
USD/DKK	67.5	13.0%	8.8

2013

Currency	Net position	Likely change in exchange rate*	Effect on profit for the year**
EUR/DKK	630.0	0.2%	1.3

*) Percentage increase in exchange rate.
**) A decrease in the exchange rate would reverse the sign.

Credit risk
The parent company credit risk relates primarily to receivables from subsidiaries and secondarily to cash deposits.

Liquidity risk
To ensure that the company always has the necessary cash resources to capitalise on opportunities for investment that may arise and to be able to settle obligations agreed, the company has entered into several agreements with recognised financial institutions, under which they provide credit lines to Schouw & Co. It is company policy to diversify borrowings on short term drawing facilities and long-term loans from an assessment of its current leverage as well as an assessment of the current and expected future interest rate levels. The company's cash resources consist of cash, short-term receivables from subsidiaries and undrawn credit facilities.

	2014	2013
Operating credit facility	300.0	300.0
Cash and cash equivalents	380.0	465.5
Current receivables from group companies	931.8	403.9
Share of current receivables from associate	0.0	141.4
Current liabilities to group companies	-40.2	-472.9
Cash resources	1,571.6	837.9

Operating credits can be terminated at short notice.

The maturity profile of the parent company's interest-bearing financial liabilities is shown in note 13.

Notes to the parent company financial statements

18 TAX ON THE PROFIT FOR THE YEAR

	2014	2013
Tax for the year is composed as follows:		
Tax on the profit for the year	4.6	-12.7
Tax on other comprehensive income	0.0	-0.4
Tax in total	**4.6**	**-13.1**
Tax on the profit for the year has been calculated as follows:		
Current tax	6.0	-19.2
Deferred tax	-1.4	8.4
Change in deferred tax due to change in corporate income tax rates	0.0	-1.9
Tax recognised in the income statement in total	**4.6**	**-12.7**
Specification of the tax on the profit for the year:		
Calculated 24.5% (25.0%) tax of the profit for the year	-89.7	-327.2
Change of corporate income tax rate	0.0	-1.9
Tax effect of non-deductible costs and non-taxable income	94.3	316.4
Tax recognised in the income statement in total	**4.6**	**-12.7**
Effective tax rate	-1.3%	1.0%

Non-taxable income and non-deductible expenses relate primarily to non-deductible write-downs of subsidiaries/reversed write-downs and non-taxable dividends from subsidiaries and a gain from the sale of a business.

2014

Tax on items taken to other compr. income	Before tax	Tax	After tax
Hedging instruments for the year	-2.0	0.4	-1.6
Hedging instruments transferred to financials	1.8	-0.4	1.4
Total tax on items taken to other compr. income	**-0.2**	**0.0**	**-0.2**

2013

Tax on items taken to other compr. income	Before tax	Tax	After tax
Hedging instruments for the year	0.0	0.0	0.0
Hedging instruments transferred to financials	1.8	-0.4	1.4
Total tax on items taken to other compr. income	**1.8**	**-0.4**	**1.4**

19 DEFERRED TAX

	2014	2013
Deferred tax at January 1	-15.1	-9.5
Deferred tax adjustment at January 1	0.1	0.2
Deferred tax for the year recognised in profit for the year	1.4	-8.4
Effect of lowering corporate income tax	0.0	1.9
Transferred to income tax payable, January 1	0.0	0.7
Net deferred tax at December 31	**-13.6**	**-15.1**
Deferred tax pertains to:		
Property, plant and equipment	-3.1	-4.3
Other liabilities	-9.6	-9.5
Tax loss carry-forwards	-0.9	-1.3
Net deferred tax at December 31	**-13.6**	**-15.1**

There are no deferred tax assets or tax liabilities that have not been recognised in the balance sheet.

2014

Change in deferred tax	Balance at Jan. 1	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	-4.3	1.2	-3.1
Other liabilities	-9.5	-0.1	-9.6
Tax losses	-1.3	0.4	-0.9
Total change in deferred tax	**-15.1**	**1.5**	**-13.6**

2013

Change in deferred tax	Balance at Jan. 1	Recognised in profit for the year	Balance at Dec. 31
Property, plant and equipment	2.9	-7.2	-4.3
Other liabilities	-8.1	-1.4	-9.5
Tax losses	-4.3	3.0	-1.3
Total change in deferred tax	**-9.5**	**-5.6**	**-15.1**

Notes to the parent company financial statements

20 JOINT TAXATION CONTRIBUTIONS

	2014	2013
Joint taxation contribution at January 1	32.6	75.0
Transferred from deferred tax at January 1	0.0	-0.2
Current tax for the year	-18.6	-38.8
Joint taxation contribution received/paid	11.1	-3.4
Joint taxation contribution in total	**25.1**	**32.6**
Which is distributed as follows:		
Joint taxation contribution receivable	0.0	0.0
Joint taxation contribution payable	25.1	32.6
Joint taxation contribution in total	**25.1**	**32.6**

21 INCOME TAX

	2014	2013
Net income tax payable at January 1	-10.3	0.9
Current tax for the year	-6.0	19.2
Transferred from deferred tax at January 1	-0.1	-0.7
Current tax for the year recognised in other comprehensive income	0.0	0.4
Current tax for the year from jointly taxed companies	18.6	38.8
Corporate income tax paid during the year	-2.2	-68.9
Income tax in total	**0.0**	**-10.3**
Which is distributed as follows:		
Income tax receivable	0.0	-10.3
Income tax payable	0.0	0.0
Income tax in total	**0.0**	**-10.3**

22 FEES TO AUDITORS APPOINTED BY THE GENERAL MEETING

	2014	2013
Statutory audit fees, EY/KPMG	-0.3	-0.3
Fees for tax and VAT related services, EY/KPMG	-0.1	-0.2
Fees for other services, EY/KPMG	-0.2	-0.3
Total fees, EY/KPMG	**-0.6**	**-0.8**

23 RELATED PARTY TRANSACTIONS

Related parties are described in note 34 to the consolidated financial statements.

Management's remuneration and share option programmes are set out in note 3 to the consolidated financial statements.

	2014	2013
Subsidiaries:		
The parent company has during the year received a management fee of	4.4	4.4
The parent company has during the year received interests of	14.0	14.9
The parent company has at December 31 a receivable of	1,320.7	786.4
The parent company has at December 31 a debt of	40.2	472.9
The parent company has during the year received dividends of	1,000.0	340.0
Associates:		
The parent company has during the year received a management fee of	0.1	0.1
The parent company has during the year received interests of	1.2	1.6
The parent company has at December 31 a receivable of	9.9	150.8
The parent company has during the year received dividends of	76.0	0.0

Other than set out above, no transactions were made during the year with related parties.

Management statement

To the shareholders of Aktieselskabet Schouw & Co.

The Board of Directors and the Executive Management have considered and approved the annual report for the 2014 financial year.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at December 31, 2014 and of the results of the Group's and the parent company's operations and cash flows for the financial year ended December 31, 2014.

In our opinion, the management's report includes a fair review of the development and performance of the Group and the parent company, the financial results and cash flows for the year and of the financial position, together with a description of the principal risks and uncertainties that the Group and the parent company face.

We recommend that the annual report be adopted by the shareholder at the annual general meeting.

Aarhus, March 6, 2015

Executive Management

Jens Bjerg Sørensen
President

Peter Kjær

Board of Directors

Jørn Ankær Thomsen
Chairman

Erling Eskildsen
Deputy Chairman

Niels Kristian Agner

Erling Lindahl

Kjeld Johannesen

Jørgen Wisborg

Agnete Raaschou-Nielsen

Independent auditors' report

To the shareholders of Aktieselskabet Schouw & Co.

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Aktieselskabet Schouw & Co. for the financial year January 1 – December 31, 2014. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at December 31, 2014 and of the results of the Group's and the parent company's operations and cash flows for the financial year January 1 – December 31, 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Aarhus, March 6, 2015

Ernst & Young
Godkendt Revisionspartnerselskab

Claus Hammer-Pedersen
State Authorised Public Accountant

Morten Friis
State Authorised Public Accountant

Aktieselskabet Schouw & Co.

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